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83^D CONGRESS
1ST SESSION

H. R. 5495

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1953

Mr. SIMPSON of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Ex-
4 tension Act of 1953".

5 **TITLE I—FOREIGN-TRADE AGREEMENTS**

6 **SEC. 101. EXTENSION OF AUTHORITY.**

7 The period during which the President is authorized to
8 enter into foreign-trade agreements under section 350 of the
9 Tariff Act of 1930, as amended and extended (19 U. S. C.,

1 sec. 1351), is hereby extended for a further period of one
2 year from June 12, 1953.

3 **SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COM-**
4 **MISSION.**

5 The first paragraph of subsection (a) of section 7 of
6 the Trade Agreements Extension Act of 1951 (19 U. S. C.,
7 sec. 1364) is hereby amended by striking out "one year"
8 and inserting in lieu thereof "nine months". In the case of
9 any application made under such first paragraph before the
10 date of the enactment of this Act, the United States Tariff
11 Commission shall make its report not later than whichever
12 of the following is the earlier: (1) one year after the ap-
13 plication was made, or (2) nine months after the date of
14 the enactment of this Act.

15 **TITLE II—UNITED STATES TARIFF**
16 **COMMISSION**

17 **SEC. 201. MEMBERSHIP AND TERMS OF OFFICE.**

18 (a) **IN GENERAL.**—Subsections (a) and (b) of sec-
19 tion 330 of the Tariff Act of 1930, as amended (19 U. S. C.,
20 sec. 1330), are hereby amended to read as follows:

21 " (a) **MEMBERSHIP.**—The United States Tariff Com-
22 mission (referred to in this title as the 'Commission') shall
23 be composed of seven Commissioners appointed by the Presi-
24 dent by and with the advice and consent of the Senate. No

1 person shall be eligible for appointment as a Commissioner
2 unless he is a citizen of the United States, and, in the judg-
3 ment of the President, is possessed of qualifications requisite
4 for developing expert knowledge of tariff problems and
5 efficiency in administering the laws administered by the
6 Commission. Not more than four of the Commissioners
7 shall be members of the same political party.

8 “(b) TERMS OF OFFICE.—The term of office of a Com-
9 missioner shall expire seven years from the expiration of
10 the term for which his predecessor was appointed; except
11 that any Commissioner appointed to fill a vacancy occurring
12 prior to the expiration of the term for which his predecessor
13 was appointed shall be appointed for the remainder of such
14 term.”

15 (b) EFFECTIVE DATE.—Notwithstanding section 330
16 of the Tariff Act of 1930, as amended by subsection (a)—

17 (1) the term of office of any Commissioner in office
18 on the date of the enactment of this Act, and the term
19 of office of any Commissioner appointed to fill a vacancy
20 in a term of office which commenced before such date
21 of enactment, shall expire at the time provided therefor
22 by such section 330 as in effect on the day prior to such
23 date of enactment;

24 (2) the term of office of the Commissioner ap-

1 pointed to succeed the Commissioner whose term of
2 office expires June 16, 1953, shall expire at the close
3 of June 16, 1959; and

4 (3) the first term of office of the additional Com-
5 missioner provided for by the amendment made by
6 subsection (a) shall expire at the close of June 16, 1960.

7 **TITLE III—ESTABLISHMENT OF COMMIS-**
8 **SION ON FOREIGN ECONOMIC POLICY**

9 **SEC. 301. ESTABLISHMENT OF THE COMMISSION.**

10 There is hereby established a bipartisan commission to
11 be known as the Commission on Foreign Economic Policy
12 (in this title referred to as the "Commission").

13 **SEC. 302. MEMBERSHIP OF THE COMMISSION.**

14 (a) **NUMBER AND APPOINTMENT.**—The Commission
15 shall be composed of seventeen members as follows:

16 (1) Seven appointed by the President of the United
17 States;

18 (2) Five appointed from the Senate by the Vice
19 President of the United States; and

20 (3) Five appointed from the House of Repre-
21 sentatives by the Speaker of the House of Representa-
22 tives.

23 (b) **POLITICAL AFFILIATION.**—Of the first class of
24 members specified in subsection (a), no more than four
25 members shall be from the same political party. Of the

1 second and third classes of members specified in subsection
2 (a), no more than three members from each class shall
3 be from the same political party.

4 **SEC. 303. ORGANIZATION OF THE COMMISSION.**

5 The President shall designate the member of the Com-
6 mission who shall be the Chairman, and the member who
7 shall be the Vice Chairman.

8 **SEC. 304. QUORUM.**

9 Four members of the class specified in paragraph (1)
10 of section 302 (a), three members of the class specified
11 in paragraph (2) thereof, and three members of the class
12 specified in paragraph (3) thereof shall constitute a quorum;
13 but a lesser number may conduct hearings.

14 **SEC. 305. COMPENSATION OF MEMBERS OF THE COMMIS-**
15 **SION.**

16 (a) **MEMBERS OF CONGRESS.**—Members of Congress
17 who are members of the Commission shall serve without
18 compensation in addition to that received for their services
19 as Members of Congress; but they shall be reimbursed for
20 travel, subsistence, and other necessary expenses incurred
21 by them in the performance of the duties vested in the
22 Commission.

23 (b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The
24 members of the Commission who are in the executive branch

1 of the Government shall each receive the compensation
2 which he would receive if he were not a member of the Com-
3 mission, but they shall be reimbursed for travel, subsistence,
4 and other necessary expenses incurred by them in the per-
5 formance of the duties vested in the Commission.

6 (c) MEMBERS FROM PRIVATE LIFE.—The members
7 from private life shall receive not to exceed \$75 per diem
8 when engaged in the performance of duties vested in the
9 Commission, plus reimbursement for travel, subsistence, and
10 other necessary expenses incurred by them in the perform-
11 ance of such duties.

12 **SEC. 306. STAFF OF THE COMMISSION.**

13 (a) APPOINTMENT OF PERSONNEL.—The Commission
14 may appoint such personnel as it deems advisable, without
15 regard to the civil-service laws, and shall fix the compensa-
16 tion of such personnel in accordance with the Classification
17 Act of 1949, as amended. The Commission may procure
18 temporary and intermittent services in accordance with sec-
19 tion 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a),
20 but at rates not to exceed \$75 per diem for individuals. The
21 Commission may reimburse employees, experts, and consult-
22 ants for travel, subsistence, and other necessary expenses
23 incurred by them in the performance of their official duties
24 and make reasonable advances to such persons for such
25 purposes.

(b) CERTAIN LAWS NOT TO APPLY.—Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such person within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

SEC. 307. EXPENSES OF THE COMMISSION.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.

(a) REPORT.—Within sixty days after the second regular session of the Eighty-third Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) EXPIRATION OF THE COMMISSION.—Ninety days

1 after the submission to the Congress of the report provided
2 for in subsection (a) of this section, the Commission shall
3 cease to exist.

4 **SEC. 309. DUTIES OF THE COMMISSION.**

5 (a) **IN GENERAL.**—The Commission is directed, within
6 the framework of our foreign policy and national security
7 objectives, to examine, study, and report on the subject
8 of the foreign economic policy of the United States and to
9 recommend policies, measures, and practices that will encour-
10 age further investment overseas and currency convertibility,
11 and foster the highest possible levels of trade consistent with
12 the national security and a strong domestic economy.

13 (b) **CERTAIN OF THE MATTERS TO BE CONSIDERED**
14 **AND REPORTED ON.**—Without limiting the general scope of
15 the direction to the Commission contained in subsection (a),
16 the Commission shall consider, and shall report on, the
17 following matters:

18 (1) (A) Applicable provisions of the Constitution
19 of the United States;

20 (B) Laws, regulations, and practices of the United
21 States relating to international trade, including such
22 matters as tariffs, customs, customs administration, trade
23 agreements, peril point and escape procedures, opinions
24 and decisions thereon of the United States Tariff Com-
25 mission and the President, import and export quotas,

1 monetary licenses, countervailing duties, and procure-
2 ment preferences;

3 (C) Departments, agencies, boards, commissions,
4 bureaus, and other instrumentalities of the United
5 States having jurisdiction over, or dealing with, these
6 matters;

7 (D) Laws, regulations, and practices and official in-
8 strumentalities of other nations concerned with similar
9 subject matters;

10 (E) Pertinent statistics on international trade; and

11 (F) Balance of payments, nation by nation; and
12 the causes and effects of, and proposed remedies for,
13 excessive imbalances.

14 (2) Relationship of our foreign economic policies
15 to, and their influences on, our total foreign policy;
16 and the proper relationship of each to the other.

17 (3) Effect of our foreign aid and military defense
18 programs on international trade and international bal-
19 ance of payments.

20 (4) Foreign markets of trading nations—extent and
21 nature; and the effect thereon of wars, other emer-
22 gencies, technological advances, international relations,
23 and other pertinent factors.

24 (5) International instrumentalities, organizations,
25 and agreements and practices affecting trade, such as the

1 General Agreement on Tariffs and Trade, Customs
2 Unions, Organization for European Economic Coopera-
3 tion, International Wheat Agreement, cartels, European
4 Payments Union, European Coal and Steel Community,
5 and International Monetary Fund.

6 (6) Foreign investment capital and the flow of in-
7 vestment capital between nations—need thereof—restric-
8 tions thereon—inducements necessary to encourage—
9 role of the Export-Import Bank and of the International
10 Bank for Reconstruction and Development.

11 (7) Effects on international trade of factors such as
12 costs of production and pricing, labor practices and stand-
13 ards, general living standards, currency manipulation, in-
14 convertible currencies, official inflationary policies, cur-
15 rency devaluations, exchange controls and licenses,
16 quotas, embargoes, dumping and pricing practices, mul-
17 tiple currencies, bilateral trade agreements, barter ar-
18 rangements, customs procedures, marking and transit
19 problems, concealed regulation of exports and imports,
20 preferential tariff systems, most-favored nation treat-
21 ment, government monopolies, state-controlled econo-
22 mies, state trading, and state-subsidized trading.

23 (8) Effect of existing and proposed trade policies
24 on the promotion of peace and security and the better-

1 ment of political, social, and economic life, domestic and
2 foreign.

3 **SEC. 310. POWERS OF THE COMMISSION.**

4 (a) **HEARINGS AND SESSIONS.**—The Commission or,
5 on the authorization of the Commission, any subcommittee or
6 member thereof, shall have power to hold hearings and to
7 sit and act at such times and places, within the United
8 States or elsewhere, to take such testimony, and to make such
9 lawful expenditures, as the Commission or such subcom-
10 mittee or member may deem advisable.

11 (b) **OBTAINING OFFICIAL DATA.**—The Commission is
12 authorized to request from any department, agency, or inde-
13 pendent instrumentality of the Government any informa-
14 tion it deems necessary to carry out its functions under this
15 title; and each such department, agency, and instrumentality
16 is authorized to furnish such information to the Commission,
17 upon request made by the Chairman or by the Vice Chair-
18 man when acting as Chairman.

83^d CONGRESS
1ST SESSION

H. R. 5495

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. SIMPSON of Pennsylvania

JUNE 2, 1953

Referred to the Committee on Ways and Means

\$15 million for REA be included in the conference report instead of \$7,500,000 agreed to by conferees. (p. 6437.)

3. FOREIGN TRADE. The Ways and Means Committee reported without amendment H.R. 5495, to extend for 1 year, without change, the President's authority to enter into reciprocal trade agreements and establish a Commission on Foreign Economic Policy (H. Rept. 521) (pp. 6486-87).
4. MINERALS. The Interior and Insular Affairs Committee reported with amendment H.R. 4983, to define the surface rights vested in the locator of a mining claim on public lands hereafter made under U.S. mining laws, prior to issuance of patent (H. Rept. 522) (p. 6487).
Received a Nebraska Legislature memorial urging enactment of a law "giving the mineral rights back to the States" (p. 6487).
5. WHEAT MARKETING QUOTA. The Rules Committee reported a resolution for the consideration of H.R. 5451, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938 (p. 6487).
6. TRANSPORTATION. The Rules Committee reported a resolution for the consideration of H.R. 3203, to prohibit the ICC from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation to be paid for such use (p. 6487).
7. WAR POWERS. The Judiciary Subcommittee approved for reporting to the full committee H.R. 2557, extending title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (p. D530).
8. AIR POLLUTION. Received a California Legislature memorial on H.R. 2720, providing for rapid amortization of air pollution control facilities constructed by private industry (p. 6487).
9. TVA. Extension of remarks by Rep. Rains defending the record of TVA, outlining four tests of efficiency and good management, and claiming it has "a record of efficiency and operation unequalled in the annals of any Government agency" (pp. 6484-5).

SENATE

10. APPROPRIATIONS. An Appropriations subcommittee ordered reported to the full committee with amendments H.R. 4828, the Interior appropriation bill for 1954 (p. D527).
11. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) with amendments, S. 1684, to facilitate civil-service appointment of persons who lost this opportunity due to service in Armed Forces after June 30, 1950 (p. D527).
The Banking and Currency Committee ordered reported (but did not actually report) without amendment S. 1458, to continue the effectiveness of employee war-risk hazard and detention benefits, until July 1, 1954 (this bill was approved pending receipt of additional information) (p. D527).
12. HOUSING. The Banking and Currency Committee ordered reported (but did not actually report) with amendments S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act of 1944 with respect to maximum interest rates (p. D527).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House passed economic controls bill, including amendment to omit Section 104. House agreed to conference report on 3rd supplemental appropriation bill. House committee reported trade agreements extension bill and bill defining forest mining-claim rights. House Rules Committee cleared wheat marketing quota bill.

HOUSE

1. ECONOMIC CONTROLS. Passed with amendments S. 1081, to authorize temporary economic controls, after adopting a committee substitute amendment that supplied new text for the Senate-passed bill (pp. 6438-83). This bill now provides for a 1-year extension of the allocation and priorities provisions of title I and the production expansion and procurement provisions of title III of the Defense Production Act of 1950. No authority is included for the 90-day standby wage, price, and rent freeze.

The committee amendment also included a 1-year extension of Sec. 104, restricting imports of certain agricultural commodities. Agreed, 123-95, to an Andresen amendment to permit expiration on June 30, 1953, of this section. In offering his amendment Rep. Andresen stated that section 104 was "not necessary considering the proclamation of the President, based upon section 22, which limited the imports of dairy products, on peanuts, peanut oil, flaxseed, and linseed oil." (pp. 6470-75). Reps. Andresen, Multer, Wolcott and others discussed the effects of Sec. 104 and Sec. 22 of the Agricultural Adjustment Act (pp. 6463-75).

Agreed to a Wolcott amendment providing for the insertion of the text of H.R. 5141 (Small Business Admin.) as passed by the House on June 5 (pp. 6475-8).

Rejected, 65-113, a Spence amendment restoring title VIII of the Senate bill providing for temporary price, wage, and rent ceilings (pp. 6478-83).

Agreed to, 46-45, an Oakman amendment to restrict the scope of the term "national defense" in connection with the bill (pp. 6462-3).

2. APPROPRIATIONS. Adopted the conference report on H.R. 4664, third supplemental appropriation bill for 1953. Rep. Andersen previously urged that the full

TRADE AGREEMENTS EXTENSION ACT OF 1953

JUNE 9, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SIMPSON of Pennsylvania, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 5495]

The Committee on Ways and Means, to whom was referred the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSES

The purposes of H. R. 5495 are to—

1. Extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements as requested by the President;
2. Reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause;
3. Increase the membership of the Tariff Commission from 6 to 7; and
4. Establish a temporary bipartisan commission to be known as the "Commission on Foreign Economic Policy" which will provide the mechanism for a thorough examination of our foreign economic policy as recommended by the President.

GENERAL STATEMENT

1-year extension (title I, sec. 101)

H. R. 5495 would extend for 1 year until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements. The following is the President's message to the Congress requesting this 1-year extension:

To the Congress of the United States:

In my state of the Union message I recommended that "the Congress take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation."

I now recommend that the present act be renewed for the period of 1 year.

I propose this action as an interim measure. As such, it will allow for the temporary continuation of our present trade program pending completion of a thorough and comprehensive reexamination of the economic foreign policy of the United States.

I believe that such a reexamination is imperative in order to develop more effective solutions to the international economic problems today confronting the United States and its partners in the community of free nations. It is my intention that the executive branch shall consult with the Congress in developing recommendations based upon the studies that will be made.

Our trade policy is only one part, although a vital part, of a larger problem. This problem embraces the need to develop, through cooperative action among the free nations, a strong and self-supporting economic system capable of providing both the military strength to deter aggression and the rising productivity that can improve living standards.

No feature of American policy is more important in this respect than the course which we set in our economic relations with other nations. The long-term economic stability of the whole free world and the overriding question of world peace will be heavily influenced by the wisdom of our decisions. As for the United States itself, its security is fully as dependent upon the economic health and stability of the other free nations as upon their adequate military strength.

The problem is far from simple. It is a complex of many features of our foreign and domestic programs. Our domestic economic policies cast their shadows upon nations far beyond our borders. Conversely, our foreign economic policy has a direct impact upon our domestic economy. We must make a careful study of these intricate relationships in order that we may chart a sound course for the Nation.

The building of a productive and strong economic system within the free world—one in which each country may better sustain itself through its own efforts—will require action by other governments, as well as by the United States, over a wide range of economic activities. These must include adoption of sound internal policies, creation of conditions fostering international investment, assistance to underdeveloped areas, progress toward freedom of international payments and convertibility of currencies, and trade arrangements aimed at the widest possible multilateral trade.

In working toward these goals, our own trade policy as well as that of other countries should contribute to the highest possible level of trade on a basis that is profitable and equitable for all. The world must achieve an expanding trade, balanced at high levels, which will permit each nation to make its full contribution to the progress of the free world's economy and to share fully the benefits of this progress.

The solution of the free world's economic problem, is a cooperative task. It is not one which the United States, however strong its leadership and however firm its dedication to these objectives, can effectively attack alone. But two truths are clear: the United States share in this undertaking is so large as to be crucially important to its success—and its success is crucially important to the United States. This last truth applies with particular force to many of our domestic industries and especially to agriculture with its great and expanding output.

I am confident that the governments of other countries are prepared to do their part in working with us toward these common goals, and we shall from time to time be consulting with them. The extension for 1 year of the present Reciprocal Trade Agreements Act will provide us the time necessary to study and define a foreign economic policy which will be comprehensive, constructive, and consistent with the needs both of the American economy and of American foreign policy.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 7, 1953.

Reduction in time for Tariff Commission to make its investigation and report (sec. 102)

Under existing law (sec. 7 of the Trade Agreements Extension Act of 1951) the Tariff Commission has 1 year from the time relief under the escape clause is requested to complete its investigation and report. Your committee believes that this period is unnecessarily long and H. R. 5495 therefore reduces this period to 9 months. Your committee understands that the Tariff Commission does not object to this 3 months' reduction, and is assured that this reduction in time will in no way handicap the Tariff Commission in its work.

Increase in membership of the Tariff Commission (title II, sec. 201)

The Tariff Commission is presently composed of six Commissioners. Your committee believes that the effectiveness of the Commission will be enhanced by increasing the membership of the Commission from 6 to 7, and H. R. 5495 so provides.

Establishment of Commission on Foreign Economic Policy (title III)

In his message to the Congress on April 7 requesting a 1-year extension of the present Reciprocal Trade Agreements Act, President Eisenhower referred to the need for a thorough reexamination of our whole foreign economic policy. In a letter to the Speaker of the House (set forth in full at end of General Statement) on May 1, 1953, President Eisenhower recommended that a Commission be established to make this review. In accordance with the President's request, H. R. 5495 establishes a temporary bipartisan commission to be known as the Commission on Foreign Economic Policy.

ORGANIZATION OF THE COMMISSION

H. R. 5495 provides that the Commission shall be composed of 17 members, of whom 7 would be appointed by the President, 5 by the Vice President from the Members of the Senate, and 5 by the Speaker of the House from the Members of the House. No more than 4 of the members appointed by the President could be from the same political party and no more than 3 of the 5 members appointed by the Vice President and the Speaker of the House, respectively, could be from the same political party.

The Chairman and Vice Chairman of the Commission are to be designated by the President. A quorum shall consist of a majority of each of the three classes of members of the Commission.

COMPENSATION OF MEMBERS OF THE COMMISSION

Senators and Representatives who serve on the Commission are not to receive any additional compensation for their duties as members of the Commission. However, it is provided that they shall be reimbursed for travel, subsistence, and other necessary expenses arising from the performance of their duties as members of the Commission. Likewise, members of the Commission who are also serving in the executive branch of the Government are not to receive additional compensation for their services on the Commission, and it is provided that they shall have the same reimbursement for travel, subsistence,

and other necessary expenses as the members who are also Members of Congress.

H. R. 5495 provides that members from private life shall be paid on a per diem basis at a rate not to exceed \$75 per day when engaged in the performance of the Commission's duties. These members also are to have the same reimbursement for travel, subsistence, and other necessary expenses as the other members.

RECOMMENDATIONS AND EXPIRATION OF THE COMMISSION

The Commission is directed to submit to the President and to the Congress a report of its findings and recommendations within 60 days after the convening of the 2d regular session of the 83d Congress. The Commission would cease to exist 90 days after the submission to the President and the Congress of its final report.

EXPENSES AND STAFF OF THE COMMISSION

Your committee appreciates that the comprehensive examination and study contemplated will require intensive effort if its objectives are to be achieved in time to provide a basis for legislation during the 2d session of the 83d Congress. Consequently, the legislation contains a general authorization for appropriations and grants broad authority to the Commission to employ staff personnel, experts, and consultants.

DUTIES OF THE COMMISSION

The Commission is directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility, and foster the highest possible levels of trade consistent with the national security and a strong domestic economy.

The detailed specification of the matters to be considered and reported on by the Commission are not intended as a limitation on the scope of the contemplated study. These matters are merely illustrative and indicate the broad design and purpose of the Commission.

POWERS OF THE COMMISSION

The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and to sit and act at such times and places, within the United States or elsewhere, to take such testimony, and to make such lawful expenditures, as the Commission or such subcommittee or member may deem advisable.

The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

The letter referred to is as follows:

THE WHITE HOUSE,
Washington, May 1, 1953.

The SPEAKER,

The United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: In the message which I sent to the Congress on April 7 requesting a 1-year extension of the present Reciprocal Trade Agreements Act, I referred to the need for a thorough reexamination of our whole foreign economic policy.

I now recommend that a commission be established to make this review. The review should provide the basis for action during the next session of the Congress.

It is my belief that the proposed Commission should be made up of Members of the Congress appointed by the Vice President and the Speaker of the House, and members appointed by myself from outside the Congress. It should be representative of both major parties. This is appropriate since commercial policy is an integral part of our total foreign policy for which broad national support is vital.

This Commission naturally should work within the framework of our foreign policy and our global defense plans. Close liaison should be maintained with the group set up under the auspices of the State Department to follow up the economic and financial talks held earlier this spring between the United States and various European countries.

The Commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains.

An inquiry of this nature is imperative. The economic policy of this Nation exercises such a profound influence on the entire free world that we must consider carefully each step we take. Changes in foreign economic policy—even those which at first have relatively slight consequences within this country—may either strengthen our allies or plunge them into a downward spiral of trade and payment restrictions, lower production, and declining living standards.

Our foreign economic policy also has important implications here at home. Declining imports will necessarily mean falling exports, resulting in a serious loss of markets for our agriculture and other industries. Expanded imports may require some adjustments in our country. We must make sure that changes in foreign economic policy consonant with our position as the world's greatest creditor nation do not benefit particular groups at the expense of the national welfare, but we must also make sure that such changes do not place unequal burdens on particular groups.

As I indicated in my previous message, the achievement of a strong and self-supporting economic system in the free world, capable of providing adequate defense against aggression and of achieving rising standards of living, must be a cooperative effort. Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance.

In launching a broad-gage study into the question of what our foreign economic policy should be, I think we can prepare the way for a fuller utilization of the economic strength of the free world in the cause of peace and prosperity.

Sincerely,

DWIGHT D. EISENHOWER.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 7 (A) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951

(Public Law 50, 82d Cong.)

SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than ~~one year~~ *nine months* after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

* * * * *

SECTION 330 OF THE TARIFF ACT OF 1930, AS AMENDED

(19 U. S. C., sec. 1330)

SEC. 330. ORGANIZATION OF THE COMMISSION

(a) MEMBERSHIP.—The United States Tariff Commission (referred to in this title as the ~~“commission”~~ *“Commission”*) shall be composed of ~~six commissioners to be hereafter~~ *seven Commissioners* appointed by the President by and with the advice and consent of the ~~Senate~~, but each member now in office shall continue to serve until his successor (as designated by the President at the time of nomination) takes office, but in no event for longer than September 16, 1930 ~~Senate~~. No person shall be eligible for appointment as a ~~commissioner~~ *Commissioner* unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the ~~provisions of Part II of this title~~ *laws administered by the Commission*. Not more than ~~three~~ *four* of the ~~commissioners~~ *Commissioners* shall be members of the same political ~~party~~, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable ~~party~~.

(b) TERMS OF OFFICE.—~~Terms of office of the commissioners first taking office after June 17, 1930, shall expire, as designated by the President at the time of nomination, one at the end of each of the first six years after the date of the enactment of this Act.~~ The term of office of a ~~successor to any such commissioner~~ *Commissioner* shall expire ~~six~~ *seven* years from the ~~date of the~~ expiration of the term for which his predecessor was ~~appointed,~~ *appointed*; except that any ~~commissioner~~ *Commissioner* appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was ~~appointed,~~ *appointed* shall be appointed for the remainder of such term.

* * * * *

SUPPLEMENTAL VIEWS

We regret that the committee did not see fit to act favorably on H. R. 4294 (a bill by Congressman Simpson of Pennsylvania, to extend until June 12, 1954, the authority of the President to enter into trade agreements) on which extensive public hearings were held by the Ways and Means Committee. This bill could and should have been amended by the committee to include the establishment of the bipartisan study commission recommended by the President as is contained in H. R. 5495. If this had been done, H. R. 4294 would have contained the provisions requested by the President (i. e., a 1-year extension and establishment of the study commission) together with those safeguarding provisions to our domestic workers and producers under the trade agreements program which we believe should be enacted.

We are opposed to H. R. 5495 because we believe that the passage of this bill will jeopardize enactment of H. R. 5496, which bill is substantially identical in its safeguarding features to H. R. 4294. We believe these safeguarding provisions are essential to the maintenance of a strong domestic economy. Moreover, testimony before our committee on H. R. 4294 revealed that, among others, our domestic oil producers, all segments of our coal industry and its related affiliates, including the leading coal-carrying railroads, together with an increasing number of smaller industries, such as pottery, glass, watch, fisheries, and many others are in dire need of realistic protection. This protection should, in our judgment, be provided and the failure to include this protection in H. R. 5495 is a serious mistake.

THOMAS A. JENKINS.
NOAH M. MASON.

VIEWS OF THE MINORITY MEMBERS OF THE COMMITTEE

We, the Democratic minority, unanimously and wholeheartedly disagree with the provision in the bill, H. R. 5495, which would "pack" the Tariff Commission by changing it from a nonpartisan, factfinding body to a partisan body by increasing its membership from 6 to 7 members and providing that "not more than four of the Commissioners shall be members of the same political party."

Ever since the establishment of a permanent Tariff Commission in 1916, Congress has always intended that it be a nonpartisan body and has very carefully avoided any legislative changes which would even indicate that it should be a partisan body.

We are very concerned by the fact that the proposal to increase the Tariff Commission membership from 6 to 7 and to make it a political body is sponsored by those who opposed the reciprocal trade agreements program in its inception in 1934 and upon every renewal of the program since. This attempt at packing the Commission so as to make it a partisan political body is an attempt to do indirectly what could not be accomplished directly.

The President has recommended "* * * that the present act be renewed for the period of 1 year." We have been informed that the provision increasing the membership of the Tariff Commission from 6 to 7 is "* * * entirely acceptable to the administration." This is inconceivable to us in light of other expressions of the administration on our foreign trade policy, since the sponsors of this provision have traditionally opposed the trade agreements program and all that it has stood for.

Our specific objections to "packing" the Tariff Commission, as proposed in this bill, follow:

A BASIC CHANGE IN THE COMPLEX OF THE TARIFF COMMISSION WOULD BE MADE

Increasing the number of Commissioners on the Tariff Commission from 6 to 7 would effect a basic change in the character of the Tariff Commission as we have known it historically. From its inception, the Commission has always been regarded as, and intended to be, a nonpartisan factfinding body by the Congress. The real purpose in changing the traditional nonpartisan makeup of the Tariff Commission to a partisan makeup is an obvious and open attempt, when we consider the backers of this proposal, to "pack" the Commission so as to eat away at the present trade agreements program and return to the protectionist days of the Smoot-Hawley Tariff Act.

If the Tariff Commission were to be made partisan, there would be a very good probability that there would be a reshuffling in the staff of the Commission also, so as to "pack" it and thereby increase the

likelihood that the staff recommendations and proposals would be "made to order," as the sponsors of this bill have in mind.

Since changes in the membership and coincidentally in the staff of the Tariff Commission would be openly and admittedly on the face of this proposal based on political considerations, they would preclude, or at least certainly damage, objective approaches in escape clause proceedings.

One of the main arguments of the sponsors of this provision is that an increase in Tariff Commission membership to seven members would avoid evenly split decisions in escape clause proceedings. They must make this claim with their tongues in their cheeks, because of the 21 completed investigations under the escape clause procedure, recommendations have been made to the President in 7 cases—5 of these were unanimous, and 2 were by a vote of 4 to 2. No injury was found in the 14 remaining cases, 4 by unanimous decision, and 10 by divided votes as follows: two, 4 to 2; two, 5 to 1; four, 3 to 2; and two, 3 to 1.

It can be seen from this that the findings in escape clause proceedings of the Tariff Commission have always been either unanimous or by a majority vote, and there would certainly seem to be no precedent to back up the claim of the sponsors. The real purpose in increasing the membership of the Tariff Commission in order to make it partisan again stands out.

Under this bill, the President would still have the power to recommend the appointment of a member to the Commission who is either liberal or conservative in his outlook on the implications of the trade agreements program. The President would also still have discretionary authority to accept or reject the Tariff Commission's recommendations, and here again there would appear to be little that could be legitimately gained by increasing the membership of the Tariff Commission.

The size of the majority recommending a particular action as a result of an escape clause proceeding would not necessarily have any bearing on the outcome of the proceeding. For instance, in the recent brier pipe escape clause proceeding, the President did not accept the recommendations of the Tariff Commission, notwithstanding the fact that the members were unanimous in recommending relief.

If the membership of the Commission should be increased and become partisan, as this bill proposes, it would appear that this would invite decisions based on political grounds rather than on merit, which would be more open to rejection by the President under his discretionary authority.

Another big objection to this provision is the uncertainty as to the course our United States trade policy might take. With each change in administration control, there would be replacements in the membership of the Tariff Commission and wholesale replacements in the staff personnel of the Commission. This would tend to make it very difficult to get and keep trained, experienced, and objective staff personnel.

To confirm the fact that we, the Democratic minority, have very good grounds for our concern over this proposal to increase the membership of the Tariff Commission and make the Commission a partisan body, we would like to quote from the report of the Tariff Commission dated April 24, 1953, on a prior bill, H. R. 4294, which

contained a corresponding provision, beginning at page 92 [emphasis supplied]:

Prior to 1916 there had been a number of nonpermanent agencies established to investigate questions relating to the tariff. The creation of a permanent Tariff Commission in 1916 reflected a recognition by the Congress of the need for a means of obtaining nonpartisan factfinding assistance in tariffmaking. In the Dictionary of Tariff Information published by the United States Tariff Commission in 1924, on page 724 the Commission was described as—

“an independent nonpartisan body whose principal function is to ascertain facts upon the basis of which Congress may determine tariff policies, the rates of duty to make the policies effective, and the methods of customs administration, and on which the President may base certain administrative acts in relation to these matters.

On page 725 of the dictionary it is stated that by the act of September 8, 1916, creating a permanent Tariff Commission “*Nonpartisanship* was to be secured by the requirement that not more than three of the Commissioners were to be members of the same political party.”

A proposal to increase the membership of the Tariff Commission from 6 to 7 was contained in the House version of the 1929 tariff bill (which ultimately became the Tariff Act of 1930). This proposal provided for the elimination of the provision of the 1916 act relating to political affiliation of the Commissioners for the reason, as stated in the report of the Ways and Means Committee, “that the committee feels that appointments should be made solely on the ground of merit irrespective of party lines.” In lieu of the political limitation, the House proposal included a provision that a person appointed to the Commission should be one who “in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of part II of this title.” The House bill also provided for a reduction in the term of office of a Commissioner from 12 years to 7 years.

The Senate rejected the House proposal to increase the number of Tariff Commissioners and the proposal to eliminate the limitation on the number of Commissioners who may be of one political party, but accepted the proposal for making appointments on the basis of possession of qualifications requisite to develop expert knowledge of tariff problems. The Senate agreed to a reduction in the term of office of Commissioners, but in lieu of the 7-year term proposed by the House, the Senate proposed a 6-year term. The Senate modification of the House proposal was ultimately adopted and incorporated in section 330 of the Tariff Act.

Like the 1929 House proposal, H. R. 4294 also proposes to increase the number of Tariff Commissioners from 6 to 7 and their terms of office from 6 years to 7 years. However, unlike the 1929 House proposal, H. R. 4294 is *definitely aimed at establishing a partisan commission*. This is because the bill provides that not more than 4 of the proposed 7 Commissioners shall be members of the same political party. While the 1929 House proposal, in providing for the elimination of the reference to political affiliation, would have permitted the appointment of all seven Commissioners from the same political party, it was made clear by the report of the Ways and Means Committee that the elimination of the reference to political affiliation was intended to eliminate partisan appointments to the Commission and to have appointments based purely on merit.

It seems clear from the foregoing recital of the history of the organization of the Tariff Commission that *since its creation Congress has carefully avoided the characterization of the Tariff Commission as a partisan agency*. The organization of the Commission, naturally, is a matter of policy for the Congress to determine. However, the Commission feels that *the proposed change in the character of the Commission merits very careful examination*.

INCREASE IN THE WORKLOAD OF THE COMMISSION

The bill provides for the handling of escape clause proceedings by the Tariff Commission in 9 months instead of the present 12 months. An increase in the membership of the Tariff Commission would appear to be inconsistent with this provision because it would tend to slow down the Commission's work. The mere addition of another

Commissioner would, in many instances, mean that additional time would be required in processing escape clause proceedings, since there would be one more person to hear, read, study, and decide upon a course of action in the proceedings. It is very possible that it would take 7 longer than 6 to do this.

Making the Tariff Commission partisan would be an open invitation for the filing of applications for escape clause relief. This would vastly increase the number of cases the Commission would be required to hear and decide on.

INCREASE IN COSTS

An additional Commissioner and the additional staff personnel which would be required would increase the operating costs of the Commission at a time when the Congress is striving to reduce governmental expenditures.

CONCLUSION

It would appear that all legitimate purposes which are intended to be accomplished under the escape clause procedures can be accomplished under the present law.

We would like to point out that the Republican members of the committee in the 80th Congress attempted to cripple the trade agreements program by writing into the law the so-called peril point provision over our vigorous opposition. Now that they are back in power, the Republican members of the committee cannot divorce themselves from their traditional high-tariff complex, in spite of the fact that their own President has recommended in a message to the Congress that the present law be extended 1 year without amendment.

The Democratic members of the committee voted unanimously for a 1-year extension without amendment, but were defeated. We then voted to delete from H. R. 5495 the provision increasing the membership of the Tariff Commission, and were again defeated by the Republican majority. We were then put in the position of having to vote for the bill with the provision in it increasing the Tariff Commission membership, or voting to let the Trade Agreements Act expire. With grave misgivings, we voted for the bill. We felt that to let the Trade Agreements Act expire would raise even greater doubts among friendly foreign nations as to the future of United States trade policies than would be their concern if we voted to extend the present act for 1 year, along with the change in the makeup of the Tariff Commission.

We took some consolation in the fact that the President would appoint the additional member to the Tariff Commission, and that he would still have discretion to accept or reject the recommendations of the Tariff Commission. We were reassured in the fact that, in his message on April 7, 1953, to the Congress recommending a 1-year extension of the present Trade Agreements Act, he stated:

* * * our own trade policy as well as that of other countries should contribute to the highest possible level of trade on a basis that is profitable and equitable for all.

In light of this expression by the President, it is our hope that he will use his discretion to insure that our trade policies and the results

of escape clause proceedings take into account our overall national, long-range economic interest and welfare, as well as the economic interest and welfare of friendly nations of the world.

JERE COOPER.

JOHN D. DINGELL.

WILBUR D. MILLS.

NOBLE J. GREGORY.

A. SIDNEY CAMP.

AIME J. FORAND.

HERMAN P. EBERHAETER.

CECIL R. KING.

THOMAS J. O'BRIEN.

HALE BOGGS.



H. R. 5495

[Report No. 521]

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1953

Mr. SIMPSON of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 9, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Ex-
4 tension Act of 1953".

5 **TITLE I—FOREIGN-TRADE AGREEMENTS**

6 **SEC. 101. EXTENSION OF AUTHORITY.**

7 The period during which the President is authorized to
8 enter into foreign-trade agreements under section 350 of the
9 Tariff Act of 1930, as amended and extended (19 U. S. C.,

1 sec. 1351), is hereby extended for a further period of one
2 year from June 12, 1953.

3 **SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COM-**
4 **MISSION.**

5 The first paragraph of subsection (a) of section 7 of
6 the Trade Agreements Extension Act of 1951 (19 U. S. C.,
7 sec. 1364) is hereby amended by striking out "one year"
8 and inserting in lieu thereof "nine months". In the case of
9 any application made under such first paragraph before the
10 date of the enactment of this Act, the United States Tariff
11 Commission shall make its report not later than whichever
12 of the following is the earlier: (1) one year after the ap-
13 plication was made, or (2) nine months after the date of
14 the enactment of this Act.

15 **TITLE II—UNITED STATES TARIFF**
16 **COMMISSION**

17 **SEC. 201. MEMBERSHIP AND TERMS OF OFFICE.**

18 (a) **IN GENERAL.**—Subsections (a) and (b) of sec-
19 tion 330 of the Tariff Act of 1930, as amended (19 U. S. C.,
20 sec. 1330), are hereby amended to read as follows:

21 "(a) **MEMBERSHIP.**—The United States Tariff Com-
22 mission (referred to in this title as the 'Commission') shall
23 be composed of seven Commissioners appointed by the Presi-
24 dent by and with the advice and consent of the Senate. No

1 person shall be eligible for appointment as a Commissioner
2 unless he is a citizen of the United States, and, in the judg-
3 ment of the President, is possessed of qualifications requisite
4 for developing expert knowledge of tariff problems and
5 efficiency in administering the laws administered by the
6 Commission. Not more than four of the Commissioners
7 shall be members of the same political party.

8 “(b) TERMS OF OFFICE.—The term of office of a Com-
9 missioner shall expire seven years from the expiration of
10 the term for which his predecessor was appointed; except
11 that any Commissioner appointed to fill a vacancy occurring
12 prior to the expiration of the term for which his predecessor
13 was appointed shall be appointed for the remainder of such
14 term.”

15 (b) EFFECTIVE DATE.—Notwithstanding section 330
16 of the Tariff Act of 1930, as amended by subsection (a) —

17 (1) the term of office of any Commissioner in office
18 on the date of the enactment of this Act, and the term
19 of office of any Commissioner appointed to fill a vacancy
20 in a term of office which commenced before such date
21 of enactment, shall expire at the time provided therefor
22 by such section 330 as in effect on the day prior to such
23 date of enactment;

24 (2) the term of office of the Commissioner ap-

1 pointed to succeed the Commissioner whose term of
2 office expires June 16, 1953, shall expire at the close
3 of June 16, 1959; and

4 (3) the first term of office of the additional Com-
5 missioner provided for by the amendment made by
6 subsection (a) shall expire at the close of June 16, 1960.

7 **TITLE III—ESTABLISHMENT OF COMMIS-** 8 **SION ON FOREIGN ECONOMIC POLICY**

9 **SEC. 301. ESTABLISHMENT OF THE COMMISSION.**

10 There is hereby established a bipartisan commission to
11 be known as the Commission on Foreign Economic Policy
12 (in this title referred to as the "Commission").

13 **SEC. 302. MEMBERSHIP OF THE COMMISSION.**

14 (a) **NUMBER AND APPOINTMENT.**—The Commission
15 shall be composed of seventeen members as follows:

16 (1) Seven appointed by the President of the United
17 States;

18 (2) Five appointed from the Senate by the Vice
19 President of the United States; and

20 (3) Five appointed from the House of Repre-
21 sentatives by the Speaker of the House of Representa-
22 tives.

23 (b) **POLITICAL AFFILIATION.**—Of the first class of
24 members specified in subsection (a), no more than four
25 members shall be from the same political party. Of the

1 second and third classes of members specified in subsection
2 (a), no more than three members from each class shall
3 be from the same political party.

4 **SEC. 303. ORGANIZATION OF THE COMMISSION.**

5 The President shall designate the member of the Com-
6 mission who shall be the Chairman, and the member who
7 shall be the Vice Chairman.

8 **SEC. 304. QUORUM.**

9 Four members of the class specified in paragraph (1)
10 of section 302 (a), three members of the class specified
11 in paragraph (2) thereof, and three members of the class
12 specified in paragraph (3) thereof shall constitute a quorum;
13 but a lesser number may conduct hearings.

14 **SEC. 305. COMPENSATION OF MEMBERS OF THE COMMIS-**
15 **SION.**

16 (a) **MEMBERS OF CONGRESS.**—Members of Congress
17 who are members of the Commission shall serve without
18 compensation in addition to that received for their services
19 as Members of Congress; but they shall be reimbursed for
20 travel, subsistence, and other necessary expenses incurred
21 by them in the performance of the duties vested in the
22 Commission.

23 (b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The
24 members of the Commission who are in the executive branch

1 of the Government shall each receive the compensation
2 which he would receive if he were not a member of the Com-
3 mission, but they shall be reimbursed for travel, subsistence,
4 and other necessary expenses incurred by them in the per-
5 formance of the duties vested in the Commission.

6 (c) MEMBERS FROM PRIVATE LIFE.—The members
7 from private life shall receive not to exceed \$75 per diem
8 when engaged in the performance of duties vested in the
9 Commission, plus reimbursement for travel, subsistence, and
10 other necessary expenses incurred by them in the perform-
11 ance of such duties.

12 **SEC. 306. STAFF OF THE COMMISSION.**

13 (a) APPOINTMENT OF PERSONNEL.—The Commission
14 may appoint such personnel as it deems advisable, without
15 regard to the civil-service laws, and shall fix the compensa-
16 tion of such personnel in accordance with the Classification
17 Act of 1949, as amended. The Commission may procure
18 temporary and intermittent services in accordance with sec-
19 tion 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a),
20 but at rates not to exceed \$75 per diem for individuals. The
21 Commission may reimburse employees, experts, and consult-
22 ants for travel, subsistence, and other necessary expenses
23 incurred by them in the performance of their official duties
24 and make reasonable advances to such persons for such
25 purposes.

(b) CERTAIN LAWS NOT TO APPLY.—Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such person within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

SEC. 307. EXPENSES OF THE COMMISSION.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.

(a) REPORT.—Within sixty days after the second regular session of the Eighty-third Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) EXPIRATION OF THE COMMISSION.—Ninety days

1 after the submission to the Congress of the report provided
2 for in subsection (a) of this section, the Commission shall
3 cease to exist.

4 **SEC. 309. DUTIES OF THE COMMISSION.**

5 (a) **IN GENERAL.**—The Commission is directed, within
6 the framework of our foreign policy and national security
7 objectives, to examine, study, and report on the subject
8 of the foreign economic policy of the United States and to
9 recommend policies, measures, and practices that will encour-
10 age further investment overseas and currency convertibility,
11 and foster the highest possible levels of trade consistent with
12 the national security and a strong domestic economy.

13 (b) **CERTAIN OF THE MATTERS TO BE CONSIDERED**
14 **AND REPORTED ON.**—Without limiting the general scope of
15 the direction to the Commission contained in subsection (a),
16 the Commission shall consider, and shall report on, the
17 following matters:

18 (1) (A) Applicable provisions of the Constitution
19 of the United States;

20 (B) Laws, regulations, and practices of the United
21 States relating to international trade, including such
22 matters as tariffs, customs, customs administration, trade
23 agreements, peril point and escape procedures, opinions
24 and decisions thereon of the United States Tariff Com-
25 mission and the President, import and export quotas,

monetary licenses, countervailing duties, and procurement preferences;

(C) Departments, agencies, boards, commissions, bureaus, and other instrumentalities of the United States having jurisdiction over, or dealing with, these matters;

(D) Laws, regulations, and practices and official instrumentalities of other nations concerned with similar subject matters;

(E) Pertinent statistics on international trade; and

(F) Balance of payments, nation by nation; and the causes and effects of, and proposed remedies for, excessive imbalances.

(2) Relationship of our foreign economic policies to, and their influences on, our total foreign policy; and the proper relationship of each to the other.

(3) Effect of our foreign aid and military defense programs on international trade and international balance of payments.

(4) Foreign markets of trading nations—extent and nature; and the effect thereon of wars, other emergencies, technological advances, international relations, and other pertinent factors.

(5) International instrumentalities, organizations, and agreements and practices affecting trade, such as the

1 General Agreement on Tariffs and Trade, Customs
2 Unions, Organization for European Economic Coopera-
3 tion, International Wheat Agreement, cartels, European
4 Payments Union, European Coal and Steel Community,
5 and International Monetary Fund.

6 (6) Foreign investment capital and the flow of in-
7 vestment capital between nations—need thereof—restric-
8 tions thereon—inducements necessary to encourage—
9 role of the Export-Import Bank and of the International
10 Bank for Reconstruction and Development.

11 (7) Effects on international trade of factors such as
12 costs of production and pricing, labor practices and stand-
13 ards, general living standards, currency manipulation, in-
14 convertible currencies, official inflationary policies, cur-
15 rency devaluations, exchange controls and licenses,
16 quotas, embargoes, dumping and pricing practices, mul-
17 tiple currencies, bilateral trade agreements, barter ar-
18 rangements, customs procedures, marking and transit
19 problems, concealed regulation of exports and imports,
20 preferential tariff systems, most-favored nation treat-
21 ment, government monopolies, state-controlled econo-
22 mies, state trading, and state-subsidized trading.

23 (8) Effect of existing and proposed trade policies
24 on the promotion of peace and security and the better-

1 ment of political, social, and economic life, domestic and
2 foreign.

3 **SEC. 310. POWERS OF THE COMMISSION.**

4 (a) **HEARINGS AND SESSIONS.**—The Commission or,
5 on the authorization of the Commission, any subcommittee or
6 member thereof, shall have power to hold hearings and to
7 sit and act at such times and places, within the United
8 States or elsewhere, to take such testimony, and to make such
9 lawful expenditures, as the Commission or such subcom-
10 mittee or member may deem advisable.

11 (b) **OBTAINING OFFICIAL DATA.**—The Commission is
12 authorized to request from any department, agency, or inde-
13 pendent instrumentality of the Government any informa-
14 tion it deems necessary to carry out its functions under this
15 title; and each such department, agency, and instrumentality
16 is authorized to furnish such information to the Commission,
17 upon request made by the Chairman or by the Vice Chair-
18 man when acting as Chairman.

83^d CONGRESS
1ST SESSION

H. R. 5495

[Report No. 521]

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. SIMPSON of Pennsylvania

JUNE 2, 1953

Referred to the Committee on Ways and Means

JUNE 9, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

interest, through an appropriation when the costs of the programs have been ascertained." The message proposes that up to 700,000 tons of wheat be made available as a grant, and that it will be determined later whether additional shipments will be supplied as a grant or a loan.

6. FOREIGN TRADE. The Rules Committee reported a resolution for the consideration of H.R. 5495, to continue for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930 (p. 6584).
7. PACKAGING. Rep. O'Hara spoke on the progress made by the Green Giant Company, Glencoe, Minn., which is "the world's largest packer of peas and corn," during the 50 years of its existence (pp. 6577-8).
8. WHEAT MARKETING QUOTA. As reported, H.R. 5451, to amend the wheat-marketing quota provisions of the Agricultural Adjustment Act of 1938, includes the following provisions:

Increases the minimum permissible national wheat-acreage allotment from 55 million to 66 million acres, a reduction of about 12 million acres, or 15%, of present wheat acreage; changes the exemption from marketing quotas in the case of farm acreage from 15 to 25 acres, and for bushel production from 200 to 400 acres; and establishes the penalty for exceeding the farm marketing quota at 45% of the parity price per bushel as of May 1 of the crop year.

Establishes a National acreage reserve, not exceeding 1% of the national allotment to be apportioned to counties in addition to the regular county allotments to relieve inequity resulting from the rise of new wheat producing areas; provides that the acreage reserve for new wheat farms of 3% of the allotted acreage be placed on a state level (previously on a county level) for greater flexibility of use; adds "the past acreage of wheat" as another factor in establishing farm wheat allotments; and limits the so-called Barden amendment protection to wheat farms acquired only from 1950 on (previously 1940) by the U. S. for national-defense purposes.

ITEMS IN APPENDIX

9. VETERANS' BENEFITS. Extension of remarks of Rep. Elliott favoring his bill, H.R. 3167, which would increase education and training allowance of veterans pursuing on-farm training, and inserting several Nat'l Ass'n. of State Approval Agencies resolutions urging passage of the bill (pp. A3523-4).
10. GRAZING LANDS. Rep. D'Ewart inserted an article from the Miles City (Mont.) Star criticizing the opposition to H.R. 4023, the stockmen's grazing bill as "the result of a misinterpretation" (pp. A3528-9).
Sen. Morse inserted 3 newspaper editorials opposing H.R. 4023, the stockmen's grazing bill as "a slick rights-grabbing scheme on behalf of special interests" (pp. A3547-8).
11. LIVESTOCK. Sen. Robertson inserted State Sen. Harry C. Stuart (Va.) speech delivered before an annual 4-H Club discussing the program of grass-fed cattle (pp. A3530-1).
12. CONSERVATION. Rep. Abbitt inserted an American Forests article discussing the contributions of certain individuals to the "wise-use management and conservation of our renewable natural resources of forests, soil, water and wildlife" (pp. A3532-3).

23. HAWAII STATEHOOD. Sen. Maybank inserted a Dillon (S.C.) Herald article commenting on Sen. Johnston's speech in which he opposed statehood for Hawaii (p. A3533).
24. GOVERNMENT OPERATIONS. Sen. Capehart inserted an American Trade Ass'n Executive Journal article discussing and outlining some of the problems of Government operations (pp. A3538-40).
25. INFORMATION. Sen. Morse inserted a St. Louis Post-Dispatch editorial commenting on the recent telecast of the President and four of his Cabinet members (p. A3540).
26. IMMIGRATION. Sen. Watkins inserted a Deseret News (Salt Lake City) editorial favoring S. 1917, a bill to permit entry of 240,000 immigrants (pp. A3542-3).
27. ROADS. Sen. Mansfield inserted two newspaper editorial favoring a nationwide program for development of better roads (pp. A3543-5).

BILLS INTRODUCED

28. SHEEP INDUSTRY. S. 2074, by Sen. Welker, for the relief of certain Basque shepherders; to Judiciary Committee (p. 6496). Remarks of author (p. 6497).
29. WATER CONSERVATION. S. 2094, by Sen. Butler, to facilitate the development and construction of water conservation facilities by States and municipalities; to Public Works Committee (p. 6497).
30. PATENTS. S. 2095, by Sen. Tobey, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; to Judiciary Committee (p. 6497).
31. WATER RESOURCES. S. 2096, by Sen. Barrett, to require Federal officers, employees, agencies, and instrumentalities to act in accordance with and submit to the laws of certain States relative to the control, appropriation, use, and distribution of water; to Interior and Insular Affairs Committee (p. 6497).
32. RECLAMATION. S. 2097, by Sen. Cordon, to increase the amount authorized to be appropriated for the construction of the Eklutna project; to Interior and Insular Affairs Committee (p. 6497). Remarks of author (pp. 6497-8).
33. WHEAT. S. 2099, by Sens. Aiken, Schoeppel and Young, to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, to Agriculture and Forestry Committee (p. 6497).
34. ACREAGE ALLOTMENTS. S. 2102, by Sens. Humphrey, Murray and Kerr, to increase allowances for carryover and acreage allotments for corn and wheat and to establish a special contingency reserve; to Agriculture and Forestry Committee (p. 6497). Remarks of author (pp. 6499-501).
35. AGRICULTURAL ADJUSTMENT ACT. S. 2106, by Sens. Kuchel et al; H.R. 5655, by Rep. Hunter; H.R. 5657, by Rep. Dempsey; H.R. 5658, by Rep. Fernandez; H.R. 5662, by Rep. Meader; H.R. 5666, by Rep. Sheppard; H.R. 5668, by Rep. Young; H.R. 5669, by Rep. Hagen; and H.R. 5672, by Rep. Rhodes; to amend the Agricultural Adjustment Act of 1938, as amended; to Agriculture Committees (pp. 6497, 6584). Remarks of Rep. Hagen (pp. A3515-6).

CONSIDERATION OF H. R. 5495

JUNE 10, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 275]

The Committee on Rules, having had under consideration House Resolution 275, report the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 72

83^D CONGRESS
1ST SESSION

H. RES. 275

[Report No. 539]

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into the
3 Committee of the Whole House on the State of the Union for the
4 consideration of the bill H. R. 5495, to extend the authority
5 of the President to enter into trade agreements under section
6 350 of the Tariff Act of 1930, as amended, and for other
7 purposes, and all points of order against said bill are hereby
8 waived. That after general debate, which shall be confined
9 to the bill, and shall continue not to exceed two hours, to
10 be equally divided and controlled by the chairman and rank-
11 ing minority member of the Committee on Ways and Means,
12 the bill shall be considered as having been read for amend-

1 ment. No amendments shall be in order to said bill except
2 amendments offered by direction of the Committee on Ways
3 and Means or an amendment proposing to strike out title II
4 of the bill, and said amendments shall be in order, any rule of
5 the House to the contrary notwithstanding. Amendments
6 offered by direction of the Committee on Ways and Means
7 may be offered to any section of the bill at the conclusion
8 of the general debate, but such amendments shall not be
9 subject to amendment. At the conclusion of the considera-
10 tion of the bill for amendment, the Committee shall rise and
11 report the bill to the House with such amendments as may
12 have been adopted, and the previous question shall be con-
13 sidered as ordered on the bill and amendments thereto to
14 final passage without intervening motion, except one motion
15 to recommit.

83d CONGRESS
1st Session

H. RES. 275

[Report No. 539]

RESOLUTION

Providing for the consideration of H. R. 5495,
a bill to extend the authority of the President
to enter into trade agreements under section
350 of the Tariff Act of 1930, as amended,
and for other purposes.

By Mr. ALLEN of Illinois

JUNE 10, 1953

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 12, 1953
For actions of June 11, 1953
83rd-1st, No. 107

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HIGHLIGHTS: Senate completed final congressional action on Treasury-Post Office ap-
propriation bill. Sen. Thye urged consideration of his bill providing surplus feed
and food grains to Holland. Senate committee reported flammable fabrics bill. House
reported 2nd independent offices appropriation bill. House sent economic controls
bill to conference. House committee ordered reported mutual security extension bill.
House agreed to resolution providing \$50,000 for agriculture investigations. Sen.
Schoepfel introduced and discussed bill authorizing CCC to transfer surplus commodi-
ties to MSA.

HOUSE

1. AGRICULTURE INVESTIGATIONS. Agreed, without amendment, to H. Res. 213, to pro-
vide \$50,000 for studies and investigations by the Agriculture Committee (p.
6637). The House Administration Committee had previously reported this resolu-
tion (H. Rept. 545) (p. 6655).
2. APPROPRIATIONS. The Appropriations Committee reported without amendment
H.R. 5690, second independent offices appropriation bill for 1954 (H. Rept. 550)
(p. 6655). Rep. Yates received permission to file minority views on this bill
(p. 6638).
3. ECONOMIC CONTROLS. Reps. Wolcott, Gamble, Talle, Kilburn, Spence, Brown (Ga.),
and Patman were appointed as conferees for S. 1081, authorizing temporary
economic controls (pp. 6637-38). Senate conferees were appointed on June 10.
4. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not
actually report) the proposed mutual security extension bill. The "Daily Digest"
states that, in addition to structural amendments, the committee cut
\$476,000,000 from the proposed \$5,474,732,500, reporting the bill out at
\$4,998,732,500. The cuts were: \$100 million from sec. 101 (a) (1)--Europe,
\$100 million from Sec. 201--Near East and Africa; \$100 million for defense sup-
port in Europe, \$150 million for special weapons; \$25 million for basic mater-
ials, and \$1 million for ocean freight (p. D545).
5. PUBLIC BUILDINGS. The Public Works Committee reported with amendment H.R. 5406,
authorizing GSA to acquire Federal title to real property and to provide for
the construction of certain public buildings for housing Federal agencies by

executing purchase contracts (H. Rept. 552) (p. 6655).

6. FLAG. Passed as reported S. 604, prohibiting display of other flags in equal or superior prominence to the U. S. flag except under specified circumstances (pp. 6644-46).

7. WAR POWERS. The Judiciary Committee ordered reported (but did not actually report) H.R. 2557, to extend title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (p. D545).

8. DISASTER AREA. Agreed to H. Res. 276, providing for Federal aid to Massachusetts by classifying certain tornado devastated areas as disaster areas (pp. 6641-44).

9. FOREIGN TRADE. The purposes of H.R. 5495, extending the President's authority to enter into reciprocal trade agreements, as stated in the committee's report are:

"1. Extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements as requested by the President;

"2. Reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause;

"3. Increase the membership of the Tariff Commission from 6 to 7; and

"4. Establish a temporary bipartisan commission to be known as the 'Commission on Foreign Economic Policy' which will provide the mechanism for a thorough examination of our foreign economic policy as recommended by the President."

10. ADJOURNED until Mon., June 15 (p. 6655). Legislative Program as stated by the Majority Leader: Mon., Consent Calendar, H.R. 5495, reciprocal trade agreements extension bill, and H.R. 5451, wheat marketing quota bill; Tues., Private Calendar and H.R. 5690, second independent offices appropriation bill which is expected to be passed on Wed., after which the legislative appropriation bill and H.R. 3203, the trip leasing bill, will be considered (p. 6638).

SENATE

11. APPROPRIATIONS. Passed without amendment H.R. 5174, the Treasury-Post Office appropriation bill for 1954 (pp. 6592-6600). This bill will now be sent to the President.

12. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported without amendment H.R. 5069, prohibiting interstate commerce of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals (S. Rept. 400) (p. 6589).

13. RESEARCH. The Labor and Public Welfare Committee reported with amendment S. 977, which would amend the National Science Foundation Act so as to provide for an "open-end" authorization (S. Rept. 396) (p. 6589).

14. FOREIGN AID. Sen. Thye spoke favoring transfer of surplus wheat to Pakistan, and urged consideration of S. 847, providing shipment of surplus feed and food grains to Holland (p. 6590).

15. INTEREST RATES. Sens. Kerr, Capehart, Bush, and others, discussed the effects of increased interest rates on our economy (pp. 6600-22), and Sen. Bush

authority, with the approval of the Secretary of the Treasury, to vary the rates below the maximum as well as up to maximum; and (4) extends for 1 year the direct home loan program with an additional \$100 million authorization to be made available at the maximum rate of \$25 million per calendar quarter.

HOUSE

11. EXTENSION SERVICE. Passed without amendment S. 1679, to consolidate Extension Service authorizations (pp. 6727-29). This bill will now be sent to the President.
12. FOREIGN TRADE. Passed, by 363-35, without amendment H.R. 5495, to extend the President's authority to enter into reciprocal trade agreements (pp. 6731-74). (For summary see Digest 107.) The debate included discussions on the relationship of foreign trade to agriculture.
13. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not actually report) H.R. 5710, the Mutual Security Act of 1953 (p. D556). The Committee was given permission until midnight to file its report on this bill (p. 6731).
14. PERSONNEL. The "Daily Digest" states that the "conferees, in executive session, reached agreement on... H.R. 4654, providing for exemption from Annual and Sick Leave Act of 1951 of certain officers. Major agreements of the conferees are as follows:
 - "1. Top Government positions of Cabinet rank, and such others as the President may designate (with the exception of postmasters, U.S. attorneys, and marshals), would be removed from the Annual and Sick Leave Act of 1951; this will not affect leave accrued by such personnel prior to enactment of this proposed legislation; and
 - "2. The so-called Thomas leave rider would be repealed as of June 30, 1953, and the Annual and Sick Leave Act of 1951 would be amended so as to limit future total accruable leave and total lump-sum cash payment to 30 days."
15. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H.R. 5690, second independent offices appropriation bill for 1954 (p. 6779). The bill includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System.

Received from the President supplemental appropriation estimates for the executive branch for 1954; to Appropriations Committee (H. Doc. 176) (p. 6779). This document includes the estimate of \$350,000 for defense production activities of this Department.
16. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H.R. 1991, relating to certain construction-cost adjustments at the Greenfields division of the Sun River irrigation project, Mont. (H. Rept. 554) (p. 6779).
17. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3792, to authorize the ICC to revoke, etc., water carrier certificates and permits under certain conditions (H. Rept. 557) (p. 6779).
18. WAR POWERS. The Judiciary Committee reported without amendment H.R. 2557, to continue title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (H. Rept. 558) (p. 6779).

19. PUBLIC LANDS. Passed without amendment H.R. 1308, to amend the Color of Title Act (p. 6729).
20. LOBBYING. Received the compilation of all registrations and quarterly reports for the second quarter of 1953 filed by persons engaged in lobbying activities (pp. 6782-816).
21. LAND TRANSFER; RESEARCH. Both Houses received from this Department proposed legislation to authorize the Secretary to convey to M. C. a tract of approximately 134 acres, together with buildings and improvements thereon, which BPISAE has been using as cotton field station; to House Agriculture Committee and Senate Agriculture and Forestry Committee (pp. 6779, 6658).

BILLS APPROVED BY THE PRESIDENT

22. PERSONNEL. S. 1870, to extend the time of the Committee on Retirement Policy for Federal Personnel for its report to Congress from Dec. 31, 1953, to June 30, 1954. Public Law 54, 83rd Cong., approved June 6, 1953.
23. FLOOD CONTROL. S. 261, approves the Connecticut River Flood Control Compact. Public Law 52, 83rd Cong., approved June 6, 1953.
24. APPROPRIATIONS. H.R. 4664, 3rd supplemental appropriation bill, 1953. Public Law 59, 83rd Cong., approved June 15, 1953. For items included in this Act for USDA see Digest 106.

ITEMS IN APPENDIX

25. LIVESTOCK. Rep. Miller inserted Secretary Benson's speech before the Nebraska Stock Growers' Ass'n. discussing some of the problems of the livestock industry and the Department's program to alleviate the "cost-price squeeze which has been hurting agriculture" (pp. A3605-7).
26. POSTAL RATES. Extension of remarks of Rep. Hagen opposing the proposed increase in postal rates and inserting his press statement on this subject (p. A3619).
27. TVA. Sen. Kefauver inserted a Tenn. Railroad and Public Utilities Commission letter opposing proposed reduction in TVA appropriations (p. A3630).
Extension of remarks of Rep. Frazier stating that many of the "original TVA objectives as defined by Congress have been substantially achieved" and opposing proposed appropriation reductions (pp. A3669-70).
28. BUTTER. Sen. Thye inserted a Washington Post editorial, "Europe Farm Editors Miss Their Butter," outlining visits of 16 European farm editors to see how American farmers make use of news and information disseminated by farm publications (p. A3638).
29. WEED CONTROL. Sen. Mundt inserted a Farm Journal article describing the weed control program in S. Dak. (p. A3641).
30. GOVERNMENT ECONOMY. Sen. Martin inserted his recent speech outlining programs for an expanding economy and stating that the "new administration is putting all its effort into the job of getting the Nation back on a sound financial footing" (pp. A3645-6).

and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON FOREIGN AFFAIRS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill H. R. 5710.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

TRADE AGREEMENTS EXTENSION ACT OF 1953

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 275 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out title II of the bill, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may desire.

Mr. Speaker, I urge the adoption of this resolution which provides for the consideration of the bill (H. R. 5495) to extend the authority of the President of the United States to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended. H. R. 5495 proposes to extend that authority until June 12, 1954.

Mr. Speaker, the Committee on Ways and Means has reported this measure practically unanimously, which clearly indicates, I believe, that there will not be much opposition to the rule or to the bill. Another purpose of this measure is to increase the membership of the Tariff Commission from 6 to 7 members.

This is not exactly an open rule, neither is it exactly a closed rule. It is what you might probably consider a

limited rule. It gives the members of the Committee on Ways and Means the right to offer amendments and it also gives a clear-cut vote on the so-called Cooper amendment in regard to the increase of the Tariff Commission from 6 to 7 members. This was the main point in controversy, and I repeat that it gives the membership an absolute vote on that question.

I think, Mr. Speaker, I should inform the House that no motion to strike out the last word is in order; therefore debate on the so-called Cooper amendment to strike out title II will be limited to 10 minutes, 5 minutes for and 5 minutes against.

Mr. Speaker, I urge the adoption of this resolution.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, I wish to direct the thoughtful attention of my colleagues of the House of Representatives to the lamentable plight in which the classified civil-service employees and faithful postal workers find themselves.

The Congress has reserved to itself the right of fixing the salaries of the people in these groups. In the case of certain skilled artisans and production workers, it has delegated this authority to wage boards who can act to adjust salaries on their own initiative, subject, of course, to certain limitations of law. People employed in those fields know to whom to go with their pleas for relief.

This is not the case with classified employees or postal workers. They must come to a Congress worried by the momentous affairs of the day who have a tendency to consider this responsibility secondary to more pressing problems.

It means little to us—just another chore, another bill to pass—but to our employees it means the difference between happiness, contentment, and a full life and living debt ridden on the ragged edge of poverty.

Never in the years that I have been here have we ever granted our loyal, hard-working Government workers a salary increase in keeping with the ever-rising cost of living. We have temporized. We have turned to expediency in the name of economy.

We have lagged in their salary adjustments. We have pursued the unrealistic policy of letting the cost of living run away ahead of their salaries and then only partially closing the ever-widening gap.

An upward salary adjustment for classified employees and postal workers is now overdue. In justice to them we should act at once.

Our pennywise and pound foolish policy is undermining the morale of Government workers. We have sniped at

the fringe privileges that they once enjoyed through the adoption of riders on appropriation bills. We have caused confusion in their minds by the introduction of other riders that would destroy the implied guaranties of tenure, one of the baits we hold out to get people to enter Government service, riders that would substantially abolish job rights, including veterans' preference.

The newspapers say that we are shooting for a July 31 adjournment. If this is the case it is all the more reason that we should act with dispatch on this problem so important to so many.

Put yourself in the position of a Government worker in the middle bracket trying to maintain a home and a family in the proud American tradition. Analyze the cost of living of this group. Compare it with their salaries. I had a survey made by postal workers some time ago. We found 75 percent of them had to supplement their incomes with either outside jobs or have their wives work. This, you will agree, is not a happy, wholesome condition.

These people feel frustrated. They know not to whom to turn except to us and we find ourselves too busy to give their just case the prompt attention it warrants.

They cannot strike as can employees of industry. Why the very officers of their organizations or unions cannot officially be recognized by the heads of several agencies of Government. We should, at least, accord them this privilege so that they would then have a spokesman to plead their cause.

Let us, in the interest of economy, recognize the plight of our faithful employees to a proper upward salary adjustment and let us act at once.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Speaker, I desire to speak in support of this rule, which I think is wisely reported by the Committee on Rules, to give the Members of Congress and Members of the House an opportunity to vote upon the provisions of H. R. 5495, which adds a seventh member to the United States Tariff Commission.

The reasons why this extra member of the Commission should not be added are numerous. I think there are several that might be pointed out to those Members who are especially interested in certain types of temporary or intermediate protection in regard to products manufactured in their districts.

It should be pointed out that under the bill as brought out none of the so-called protection that was attempted to be provided in the original Simpson bill is provided in this bill. The only new protection in the bill is the addition of a partisan member to the United States Tariff Commission, in violation of a precedent that was established in 1916 and has been in existence through some 20 years of Democratic administration and 12 years of Republican administration.

May I point out to my friends on the Republican side that if this provision is adopted into law it is going to work great

hardship and embarrassment upon their Republican President and upon them as Members of Congress, because it is going to mean that more and more cases are going to have to be presented to the President where he will have to reverse the action of the Tariff Commission. This means you are going to have a bad situation all the way through in the sense that you are going to be called upon to ask the President to uphold the Tariff Commission, but the President is going to have to reverse the Tariff Commission in line with his announced policy of working for the establishment of a better system of world trade and the elimination of barriers that now exist. It is not going to be good politics from any standpoint.

COMMISSION PACKING

Mr. Speaker, the provision in H. R. 5495 to add a seventh member of the United States Tariff Commission is a bold and unconcealed attempt to pack the Commission, which, if successful, would destroy the very purpose for which it was established.

The Commission has been bipartisan for the 37 years since its inception, and now a small group of determined protectionists want to change the rules of the game and alter the Commission from a 6-man factfinding body to a 7-man, partisan, political body.

The Tariff Commission was created by Congress in 1916 in recognition of the need for a permanent, nonpartisan agency to assist the Congress and the President in making and executing tariff legislation by providing a disinterested investigation of the economic facts—regardless of tariff policy. It was needed to reduce the impossible burden of work and extraparliamentary pressures on congressional committees formerly charged with both policy and detailed rate-fixing. The first Chairman of the Commission, F. W. Taussig, properly set the tone of objectivity when he said, in 1917:

Our essential task, then, is to act as the servants and assistants of Congress. We are to gather and prepare information, to sift the essential from the nonessential. We shall bend our utmost endeavors to be exhaustive in inquiry, and at the same time brief and discriminating in statement. As regards advice, we must be sparing, since advice must often rest on the basis of established fundamental principles; and fundamental principles must be settled not by the Commission, but by Congress and by the public.

This general statement of purpose is as valid today as then.

When the Commission was strengthened by the 1922 act, the Congress still insisted upon a membership of 6, not more than 3 of whom could be of one political party. When, in the 1930 act, the personnel was changed, bipartisanship was retained. By packing the Commission the protectionists hope to accomplish what they have not been able to accomplish in the Congress since 1934—the emasculation, if not the complete repeal, of the Reciprocal Trade Agreements Act; this in the face of general two-party support of that act.

POLITICAL DECISIONS

No administrative agency can possibly decide for the country what kind of tariff policy it should have; policy is set by the Congress. But in order to frame laws in the national interest, Congress must know the economic facts, as uncolored as possible by demands of special interests. Moreover, the application of policy to specific cases is highly technical and demands expert investigation. Can anyone doubt for an instant that the presentation of economic facts would fluctuate with the changes in political majority of the seven-man Commission?

In the 37 years of its existence, no one has seriously questioned the necessity for a bipartisan Commission. It is claimed that the addition of a seventh Commissioner would insure against split decisions. Yet, as the minority report of the Ways and Means Committee points out, every single recommendation in escape clause proceedings to date has been either a unanimous or majority decision.

Nor can this measure be defended on the grounds that the present number of members is inadequate to handle escape clause proceedings in a period of 9 months. If the charge is just, the situation can be remedied easily enough by the addition of an even number of new Commissioners, 2 or 4 or 6, thereby retaining bipartisanship.

Indeed, the creation of partisanship would afford the strongest kind of incentive for domestic interests to file an endless number of applications for relief under the escape clause. There is no comfort in the fact that the President would still have the power to reject, in the national interest, the Commission's recommendations for relief—when it is realized how often the pressure would be applied at the White House by a partisan commission.

ANOTHER DAY

Those who would establish a precedent of partisanship for the Tariff Commission would not have to be reminded that, one awful day when political fortunes are reversed, the shoe will be on the other foot and the balance of power will shift to the antiprotectionist side. And the worst feature in making the Commission a political football would be the resultant insecurity for American industry. Industry can adapt itself to any system of tariff scheduling which is reasonably consistent, whether protectionist, free trade or in between; but industry enjoys no kind of security under tariff scheduling subject to the caprice of a partisan body that changes with each shift in political power. The Commission would lose the public's confidence. This, in fact, was the experience of the Tariff Board established during the Taft administration and later dropped by the incoming Democrats who viewed it as a tool of Republican protectionism.

The violation of the Tariff Commission's objectivity would have its repercussions abroad. It would be but one more sign to confirm the growing suspicion of our allies that, far from liberalizing our trade policy, as the President promised, we are deliberately

crawling back into the shell of Smoot-Hawley nationalism.

On all counts, then, we must preserve the 37-year-old, bipartisan, fact-finding function of the Commission and leave the political decisions to the Congress.

The SPEAKER. The time of the gentleman from Mississippi has expired.

(Mr. SMITH of Mississippi asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I rise to oppose the granting of this rule. I do so on the ground that the pending rule is both unnecessarily arbitrary and patently discriminating.

First. There is no national or international emergency to warrant setting aside the ordinary procedures of the House.

Second. There is no excuse for depriving the duly elected Members of the Congress their right to discuss, amend, and otherwise participate in the drafting of legislation.

Thomas Jefferson once said:

The ills of democracy are best cured by more democracy.

Here we see the wholesome advice of this great Virginia statesman tossed aside in order that the Congress, in the name of America, may launch a program reminiscent of New Deal days, designed to cure the ills of the world under the flimsy slogan of "More trade and less aid."

It is proposed to launch this noble experiment, Mr. Speaker, by imposing on the individual Members of the Congress a gag rule that both stifles free speech and effectively blocks any and all attempts to secure legislative redress of grievances.

If this procedure is a sample of democracy in action, which America hopes to teach the rest of the world, then only God himself can help the free people who are harassed by the fear of Communist aggression.

The proposal has all the earmarks of collusion between the House leadership of both major political parties. My party, the Democratic Party, appears to be more interested in playing partisan politics over the makeup of the Tariff Commission than it is in safeguarding one of the Nation's basic defense industries and the welfare of its employees. The information that actual want and starvation stalks relentlessly through hundreds of mining communities in the coal areas of the Nation—traditionally Democratic territory—seems less important to them than the need of supplying aid to distant lands.

It is too bad, Mr. Speaker, that we cannot declare these areas, laid waste by the operation of our trade policies, to be foreign territory. In that case they would not have to petition the Congress for relief. As Dean Acheson used to do and as Secretary Dulles now proposes to do—we would just carry it to them.

The Republican Party is making effective use of this rule to silence its own Members, a majority of whom are basically opposed to the idea of lowering our

own standards of living and working conditions to the level of those already existing abroad today.

There is no relief provided in the renewal of this bill for a great segment of industry and the domestic producers of this Nation. When the Ways and Means Committee, in its wisdom, decided not to report out the Simpson bill, that we might have equal treatment to all parties, industrially and agriculturally, in this Nation, so far as trade agreements are concerned, then the opportunity to get relief for these affected areas was passed up.

What shall become of the new Simpson bill is a matter for the future. What we are dealing with now is the present situation.

I am basically opposed to the extension as proposed and if, when the vote comes on the previous question, an opportunity is afforded to register your protest to these arbitrary proceedings, I sincerely hope that Members on both sides of the aisle will stand up and be counted. With the welfare of America at stake, it is no time for political "buckpassing."

The SPEAKER. The time of the gentleman has expired.

(Mr. O'HARA of Illinois (at the request of Mr. SMITH of Virginia) was given permission to extend his remarks at this point in the RECORD.)

Mr. O'HARA of Illinois. Mr. Speaker, there should be no partisan approach to the problem of bolstering our economy for the slackening of employment inevitable with the decline in defense production. There are many conditions today that characterized the last twenties. I have always thought that the devastating depression that began in late 1929 might have been leavened, if not avoided, if at the time we had enjoyed something comparable to our present reciprocal trade arrangement. Our surest way now to avoid the likelihood of another serious recession is to aid and encourage the expansion of our export trade. On this there should be no division on partisan lines.

It is unfortunate that politics is being injected into what should be a bipartisan effort to strengthen our country to meet any economic storms attending the change from production for defense to production for a world of peace. Indeed, the reciprocal trade agreements are the strongest part of our armor of defense.

In an editorial in its issue of May 8, 1953, the Chicago Daily News said:

It is utterly unrealistic to suppose that we can continue to sell goods unless our customers have some means of earning the money to pay for them.

The editorial in the Chicago Daily News continues:

It would be particularly unsound for a creditor exporting nation, to scrap reciprocal trade agreements for a return to an outmoded, inflexible protectionism.

Mr. Speaker, my purpose in referring to the editorial in the Chicago Daily News of May 8, 1953, is twofold. First, it is the sound presentment of a logical argument. Secondly, its source is Republican and conservative.

The editor and publisher of the Chicago Daily News is John S. Knight. His

father was a distinguished Republican member of this body. In his own right, Mr. Knight has made his niche in American journalism. Editor, publisher, and member of a powerful chain of great newspapers he is an active reporter for his own newspapers and weekly writes an editorial column for his newspapers that is unique in that it is not ghost written but is the personally prepared and transcribed analyses and reflections of the man who owns and controls the newspapers in which the column appears. I have great respect for Mr. Knight as a publisher who is also a working newspaperman.

Mr. Knight, independent when in his convictions the public interest is concerned, nevertheless is a born and bred Republican. His heart throbs in unison with the heart of the Republican Party. Moreover, he is a staunch supporter of President Eisenhower. Delegates to the Republican Convention in Chicago surely will remember how hearteningly they read the Chicago Daily News if their love and support were with Ike. If the delegates had loyalties elsewhere I presume with good judgment they passed up the Chicago Daily News.

Mr. Speaker, what I am trying to say, I am afraid a bit clumsily, is that Mr. Knight is a Republican born and bred and a friend of General Eisenhower in Chicago at conventiontime—when if ever the general needed friends.

Now, Mr. Speaker, may I say a word about Chicago? I have no quarrel with the distinguished gentleman from West Virginia [Mr. BAILEY], for whom I hold a real sentiment of affection. Even though he is a Democrat, he is fighting this bill, tooth and nail. I admire him for his position. He is fighting for the industries and the workers in his district. He is a friend of organized labor, tried and found true on every occasion, but when the welfare is in jeopardy of the management that makes possible the jobs, the gentleman is in there battling for the industry, management and labor with a common interest.

It happens that in the district represented by the gentleman from West Virginia are smaller industries, such as glassblowing, that would be, and are, adversely affected by the reciprocal-trade agreements. As the editorial of May 8, 1953, in the Chicago Daily News says:

The conflict of interest is clear and irreconcilable. On the one side are those whose products find it hard to compete with imports. On the other is the greater good for the greater number by increasing the two-way flow of foreign trade through mutual deals lowering particular tariffs in each trading nation.

Mr. Speaker, in the territories serviced by the Chicago Daily News and its affiliated newspapers, and in the district which I have the honor to represent, are located either the large industries or the residences of the workers in such industries—industries that are the backbone of our country and the security of which now depends in a perilous and uncertain period upon the continuance of the reciprocal trade agreements.

Mr. Speaker, I wish now to talk to those on the Republican side of the aisle.

All the Democratic members of the Ways and Means Committee have signed the minority report objecting to the title in the bill we are discussing converting the Tariff Commission from a bipartisan, or really nonpartisan body, into a body strictly political. If I should talk in my own way to you on the other side of the aisle in support of the position taken unanimously by the Democratic members of the committee you might suspect me of partisan motivation. I have in fact no such thought. I sincerely think that the welfare of our country is at stake. I am more concerned with the future of my sons and my grandchildren and of their contemporaries than in what may occur in favorable or unfavorable repercussions to me. So that there may be no misunderstanding I bring to you on the other side of the aisle, not my words but the words of the Chicago Daily News, owned and controlled by John S. Knight, Republican and a working newspaperman:

This, in short, is protectionism of the old Hawley-Smoot variety. The Simpson bill proposes to implement it by packing the Tariff Commission, now a six-man bipartisan body, with another member.

Already, President Eisenhower has designated as Chairman, Edgar E. Brossard, of Utah, protege of the late Senator Reed Smoot, an arch-protectionist. Also named to the Commission is former Republican Representative from Connecticut, John Talbot. He voted in 1945 to kill an extension of the Trade Agreement Act. Why President Eisenhower named two men apparently hostile to his professed policy is one of Washington's mysteries.

Two more such appointments, and the high-tariff complexion of the Commission would be assured. Hence, unless the hope of expanding trade with our allies is to be abandoned, the Simpson bill must be defeated.

Mr. Speaker, before they vote, I at least have alerted my colleagues on the other side of the aisle to the thinking of responsible Republicans in the Chicago area, from which I come. I repeat I do not regard this as a proper field for political adventure. The important thing, especially at this time, is to encourage and expand our foreign trade. It is no time or place to play politics. The Tariff Commission should remain, as advocated by the Chicago Daily News and by the minority members of the Ways and Means Committee, strictly nonpolitical. I shall vote for the amendment to take politics out of what has at stake something greater than any party or any individual, the future of our country.

Mr. SMITH of Virginia. I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

(Mr. STAGGERS asked and was given permission to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, I now go on record as being opposed to this rule because it prohibits amendments to the bill. I think it is so important that this Congress should be able to express its will in regards to any legislation. One of the previous speakers said that we are changing the rules of the game. Did you ever see a game where the rules were not changed every so often? For instance, football, basketball, baseball.

The way of changing the rules in a democracy should be by the will of the majority.

I have just made a trip to my district and the people there feel the responsibility for this legislation lies with the Congress of the United States. When I appeared before the House Ways and Means Committee, I said then that there were rumors of a compromise. That not only was there a compromise made but it looks to me like it was a complete sellout of one segment of society.

The State Department has had a big hand in this matter. The State Department is more informed on matters in foreign countries than on the internal workings of this Nation.

The so-called million-dollar cabinet also came up to testify on this legislation. Half of them, or the majority of them, testified for this bill.

Here is a statement that I heard, and I should like you gentlemen to remember it. Over this past weekend, while traveling through the coal fields of my district, I heard many miners say: "It looks like an old-fashioned Republican depression coming on."

Over 2,500 coal miners in my district are out of work. That throws a lot of railroad workers out of work, and workers in related industries. Do you not think that those people have to live some way?

They say, "No, we cannot change the rules of the game," in this matter of reciprocal trade. I believe that this Congress can and should change the rules, where they affect the lives of human beings.

They say, "Yes, we are trying to take care of Venezuela." Venezuela does not have as many people as the State of Pennsylvania. I will say that it probably helps a few people there, the people who already have the money.

But do you know what is being done? They are dumping residual oil on our east coast. I know the argument is going to be made that we need it, that we have got to save ours. Do you know how much of high-grade oil they are bringing into the United States? Four percent of their total output. We do not need this residual oil of which 48 percent is being brought into our country. We have lots of it.

I believe in reciprocal trade. I have voted for it every time it has been on the floor of this Congress since I have been a Member. And I want to express my view now that if this rule is allowed to stand and something is not done to help our people, then I will have to vote against it.

I know that some are going to say, "Special interests," but if helping the citizens, of my district and of these United States means special interests, then I am for special interests.

The first thing you know we are going to get to the point where we need these coal miners. Coal mining is a basic industry. If an emergency would arise then we would need the coal miners and their productions. Coal mining is one of the industries that has made America strong.

Under a bill that I and 22 of my colleagues have introduced in the House of

Representatives, 5 percent of our country's production would be allowed to be imported into the United States. Who has been profiting from this residual oil? About 4 or 5 of the big oil companies in the United States. We are not helping the common people down in Venezuela.

As I say, I believe in reciprocal trade, but I believe first that we must help an industry that we may need sometime in the future. We say we will set a precedent if we pass this bill. Well, if it is a precedent to help our own people then we had better set that precedent; and I say again to this Congress we had better beware of that depression which is looming on the horizon.

The coal industry is one of our basic industries, and there are millions of people who depend on the things that come out of the coal mines and related industries.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MEADER].

(Mr. MEADER asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. MEADER. Mr. Speaker, I thank the chairman of the Rules Committee for giving me this time to call the attention of the House to title III of H. R. 5495, which establishes a commission on foreign economic policy.

Mr. Speaker, this is a matter which has been of major interest to me since the beginning of my service in the Congress.

April 23, 1951, I introduced a bill to create a commission on foreign economic policy. Twice I appeared before the Foreign Affairs Committee of the House of Representatives urging the inclusion of that bill as an amendment to mutual security legislation. Twice on the floor of the House of Representatives I offered that bill as an amendment to the mutual security bills of 1951 and 1952. In all instances, the Democratic leadership rejected my proposal.

March 25, 1953, I reintroduced this measure in H. R. 4199, which is essentially the same in purpose and character as title III of the bill now before us.

March 26, 1953, at page 2427 of the CONGRESSIONAL RECORD, I included a brief history of my efforts in this respect.

I want to commend the leadership of the House and the President of the United States for taking action on this most important subject. It is necessary, I think, that we determine what our foreign economic policy shall be before specific steps in economic affairs are taken. This is a red-letter day for the people of the United States.

Mr. Speaker, within the past 2 months 145 Members of Congress have been eyewitnesses to the destructive force of atomic fission. I am sure I am not alone in gaining the lasting impression that the ingenuity of man has made advances in the scientific field at a far more rapid rate than the ingenuity of man in the governmental field has been able to manage scientific discoveries intelligently. We have surely found the means of destroying ourselves. This simple and incontrovertible fact has placed upon

those of us who have chosen careers in Government a responsibility far more weighty and awesome than that confronting our predecessors in the pre-atomic age.

Mankind has always sought peace. The great majority of human beings has yearned for an end to wars and the havoc and suffering which accompany them. If it ever was necessary to give sober, intelligent thought to the causes of war and the means to gain a lasting and honorable peace, that time is now, when we know of the horrible potential of atomic warfare.

Mr. Speaker, I do not pose as an expert either on military strategy or human behavior. Yet I have some convictions concerning practical and, I believe, effective steps toward the elimination of some of the causes of wars. I believe it is my duty to offer these views for the consideration of my colleagues.

It may seem to some paradoxical to assert that the creation of a commission to develop a sound policy and program in our foreign economic affairs has a definite and demonstrable relationship to the cause of peace.

I start with the proposition that the causes of war are in part, economic. The development of economic power by a nation exerts pressures against rigidly established vested rights in the international status quo. These pressures, if not relieved in their early stages, build up and eventually explode in open military combat. I do not minimize the unmeasurable importance of human emotions and passions, which make a people fighting mad and willing to risk the suffering and desolation of warfare to gain some conceived national objective. I do not assert that the causes of war are wholly economic, but I do contend that economic considerations are significant factors contributing to the outbreak of hostilities.

It is my belief that we can minimize these economic causes of war through the creation of an international economic order of such flexibility as to permit the expression of natural human aspirations for self-betterment but which, at the same time, possesses the stability of a society governed by law and the recognition of rights of individuals and nations.

It is my belief that the economic system we have developed in this country which, on a basis of equal opportunity, permits an individual to seek his livelihood and his happiness in open competition with his fellow man, restrained only by his own capacity and by rules of fair conduct, possesses the features of flexibility and stability which it should be our aim to incorporate in the international economic order.

In first proposing the creation of a commission to study foreign economic problems on April 23, 1951, I said:

If formulas can be found which will stimulate the investment of private capital in backward areas and eliminate many of the political obstacles and risks now restraining the export of capital, we will find that a major step has been taken toward the creation of that flexible but stable economic and political order among all nations which will permit the search for material and spiritual

happiness by free citizens in an atmosphere of free enterprise.

We will find that the causes of wars have been effectively minimized and that the general level of civilization has been substantially advanced through permitting the natural economic forces of specialization and exchange to work, free from artificial restriction.

As I knew it, the primary task of the Commission on Foreign Economic policy should be to study ways and means whereby a climate can be created in the free countries of the world conducive to the investment of private capital and the conduct of trade and commerce. The Government should not directly engage in economic activities but should facilitate the economic activities of private citizens.

Mr. Speaker, it is my belief that the free-enterprise system, if permitted to operate free from artificial hazards and restrictions, can contribute to the economic betterment of the underdeveloped areas of the world and promote their internal stability and their capacity to resist external aggression. I quote again from my remarks of April 23, 1951, the following:

Historically, the imperialistic aggressor has expanded his rule first against the weak and the unprepared. I think it is not inaccurate to say that the underdeveloped areas are vacuum areas into which the force of ambitious and ruthless power had a natural tendency to rush. To the extent that such vacuum areas are strengthened, become more independent and develop national pride and consciousness, as well as a higher standard of living, to that extent will the dangers of their being overrun by a conqueror diminish.

Mr. Speaker, in H. R. 4199 I sought to set forth a congressional declaration of purpose to guide the commission in its investigation and study of foreign economic problems. Title III of the bill before us contains no declaration of policy. However, that defect may not be important since the Congress has, in other legislation—the Mutual Security Acts and the Act for International Development—plainly gone on record in favor of promoting the competitive free-enterprise system in international economic affairs. In H. R. 4199 I sought to restate these purposes as follows:

The Congress finds that the dynamic competitive free-enterprise system which has flourished in the United States can raise standards of living and promote internal strength and stability in other free countries, thereby increasing their capacity to resist aggression, stimulating international trade, and contributing to the growth of free economic and political institutions. These goals can be achieved in large measure through encouraging and facilitating the investment of private capital in other free countries to develop their resources and improve their productivity. Numerous impediments now exist, however, which inhibit the investment of private capital and the conduct of trade and commerce throughout the free world. It is the purpose of this act to discover ways to overcome these obstacles and make the fullest use of free private enterprise, subject to proper restraints to prevent overreaching and unfair exploitation, in promoting mutual security, economic vigor, and individual liberty in the free world.

There should be no hesitation on the part of any Member of the Congress in subscribing to the principles stated in the foregoing declaration of policy.

Mr. Speaker, similar legislation, Senate Joint Resolution 78 to establish a bipartisan Commission on Foreign Economic Policy, was passed by the Senate May 19, 1953. Our passage of H. R. 5495 today will thus assure the creation of this Commission to undertake this most important study.

Again, I congratulate the administration and the leadership of the Congress on taking this concrete step toward the solution of the difficult, complex, and far-reaching international economic problems facing the world today.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Speaker, the essence of this bill represents a vindication for the foreign policy of the administration.

I hope that in voting on this rule Members will not let dust be thrown in their eyes. I am for the rule; it is the very best that could be obtained on the report from the Ways and Means Committee. It was obtained by great leadership on the part of the President and on the part of the leadership of this House which is entitled to great credit for bringing this legislation to its present situation.

This legislation I consider to be a package with foreign aid and with defense appropriations in the security interest of the United States. The Soviet Union is beginning to shift the ground of its struggle with the West, it is going into the trade battle now, and the extension of the Reciprocal Trade Agreements Act is the first step on our part to show that we recognize that the trade battle might very well prove to be more decisive than the military preparations which we have had up to now and are necessarily continuing.

The nations of Western Europe used to do a very great part of their business, about 40 percent, with countries that are now in the Communist bloc. It must be our desire to reorient the foreign trade of all the free world so that free Europe can free itself and not be dependent upon the Communist bloc for a substantial part of its trade—and replaced this trade since World War II—but aid is being cut now. This is exactly what we mean by trade not aid and is vital to the free world as aid is being cut. Orienting the free world's trade within itself is directly against the interests of the Soviet Union and we can expect great opposition from them on it. Action on this extension is our first step of recognition that we are in that economic struggle and that we are determined to be prepared for it.

In addition to that, the Soviet Union is widely broadcasting its interest in big trade contracts with the free world, so is Communist China, offering big trade contracts especially to the Western Euro-

pean nations—tomorrow probably to Japan, as well. These offers could prove very attractive, especially to nations like West Germany which has a great industrial complex that needs to be employed and with great manufacturing capacity, the products of which need to be exported. We have to offer them some alternative, otherwise the Russians can beat us in this economic "war" whereas they could not beat the free world in the "cold war" and they could not beat the free world in a "hot war" by armed aggression in Korea.

I hope the Members of the House will pay attention to the paramount importance of this particular piece of legislation in the foreign policy package of the United States and will recognize that in passing the essentials of this bill—which I consider to be the 1-year extension of the Reciprocal Trade Agreements Act and the appointment of a Presidential-Congressional Commission on the United States foreign economic policy—it is backing up the President who is doing, I feel, an outstanding job in trying to secure the peace of the world.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KELLEY].

(Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks at this point in the Record.)

Mr. KELLEY of Pennsylvania. Mr. Speaker, I cannot support this rule, nor can I support the bill, for the obvious reason that it fails to take cognizance of the conditions in the coal industry whereby residual oil dumped into the United States from South America displaced over 30 million tons of coal last year. As a consequence many thousands of men have been thrown out of employment and many coal mines have been forced to close.

The coal operators and the miners implored the Ways and Means Committee for relief through quota restrictions on residual-oil imports. This was refused by the committee; and the Rules Committee brought out a rule that prevents consideration of any amendments from the floor except the one amendment to increase the Tariff Commission from 6 members to 7. This is a sop to the Members in order to get votes for this bill.

No consideration has been given to the plight of the coal industry nor of the glass industry, which has been crippled for several years as a result of the importation of cheap glass. I have always supported the Reciprocal Trade Act, but this time I am compelled to oppose it. In my district prosperity depends to a great extent upon the conditions in the coal industry, but it seems that this administration is not concerned with the welfare of the people in the 21st District of Pennsylvania and in many other districts.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, this bundle that the gentleman from New York speaks of containing the provision for a seven-man Tariff Commis-

sion to my mind is no vindication of our foreign policy. Vindication. Fiddlesticks, just nonsense, just a sop to the trade isolationists, the selfish interests of America, to get their additional man on the Tariff Commission so that the high protectionists in this country can have their way, willy-nilly. It is a compromise, a crude deal, and it is rather astounding that the President should lend himself to it. I say this compromise is spindle-legged, it is an untoward surrender.

The President has already publicly surrendered his power to fashion trade policy. It has been the boast of those on this side of the aisle, on the Republican side of the aisle that in return for withdrawal of the original bill, the bludgeon bill offered by the gentleman from Pennsylvania [Mr. SIMPSON], the "stand up and deliver" bill that the President promised to make no more trade agreements for 1 more year, that is surrender of principle.

What had timing, too, I will say to the gentleman from New York [Mr. JAVITS] especially at a time when the Kremlin is preaching economic independence to the western nations and is backing up those promises and words with very attractive offers that involve items most affected by United States trade barriers. What about these pontifical declarations by the administration about world trade and world trade being a two-way street, and that we must buy in order to sell. The administration with unctious says we must level down our trade restrictions to enable our allies to enter our markets. Those are the words.

What about the deeds? The administration appointed to the Tariff Commission, not a man who is inspired with the philosophy announced in those pontifical declarations of the President. No. There was appointed a disciple of hard shelled protectionism. We remember Joe Talbot, a very distinguished gentleman, a fine Representative from Connecticut. He got the job. But he is a high protectionist of the old reactionary Republican school. What about deeds, not words, I say to the administration?

And again we shall have a high protectionist appointed to the Tariff Commission. The bill soon before us will provide for a seventh man. Because of pressure brought to bear on the White House by you Republicans and those whom you represent, the President will undoubtedly yield and select an additional high protectionist, so that we will have a Tariff Commission no longer non-partisan but a Tariff Commission that will be armpit deep in partisan politics.

I then picture a long queue of applicants before the Commission demanding higher and higher rates.

Thus the President while apparently looking forward toward quickening and expanding foreign trade as a mutual two-way affair, is stepping backward into balkanizing world trade.

It is indeed an anomaly to me to see the administration on the one hand claiming credit for the wholesale elimination of personnel from the various

agencies of the Government, reducing budgets, and on the other certain Republicans advancing the proposed amendment which would actually add another member to the Tariff Commission. This total inconsistency can only be explained on the grounds of pure political expediency. And that, I submit, Mr. Speaker, is the only reason for suggesting the proposal under consideration. And I believe it important that what is now proposed to pass under the guise of legislation be unmasked for what it truly is—unadulterated politics.

The proposal to make the Commission a political football is an affront to members of both parties who have labored solidly for years to keep the administration of the Tariff Act on a nonpartisan basis. A nonpartisan Commission was set forth in the Tariff Act of 1930. That act was framed by members of the present majority party. It was therein provided that a Tariff Commission of 6 members should be appointed by the President. Of these 6 Commissioners, it was established under the law that not more than 3 Commissioners could be of any 1 party, thereby assuring that neither of the 2 major political parties could dominate the Commission for partisan purposes. To further ascertain that equal weight in the Commission would be given to both parties, it was also directed that in making appointments members of different parties should be appointed alternately as nearly as could be practicable.

The above provisions, I might add, were derived from similar clauses in the Tariff Act of September 8, 1916, indicating that for almost 40 years it has been the consistent policy of both Republican and Democratic administrations to maintain the Tariff Commission on an impartial basis.

The success of this policy is eloquently spoken for by the untarnished record of the Tariff Commission during the period it has administered these provisions of law. Untouched by the slightest blemish of scandal or prejudice, the Commission has operated efficiently and devotedly over these many years, efficiently carrying out the mandate of Congress.

Now it is proposed to set aside the years of experience with a bipartisan Tariff Commission, to turn our backs upon an administrative organization which has worked so successfully for such a long period, and to inject the Tariff Commission into the arena of politics—to make the Tariff Commission the subordinate agency of the party in power.

Naturally, the real reason for resorting to politics instead of sound legislation at this juncture is to insure the administrative defeat of the pending measure extending the reciprocal trade treaty powers. The foes of this legislation are so determined to thwart the will of Congress and of the people that they would have the purposes of the bill defeated even after it becomes the law of the land.

The tariff, Mr. Speaker, is, as Mr. Havemeyer, of the American Sugar Re-

fining Co., once said, "the mother of trusts." Often by Government fiat, it erects a vast wall which insulates much of American business from effective competition. The idea that the tariff is a temporary expedient to succor small and infant domestic industry until it matures has long been abandoned to the concept that the tariff often is a legitimate Government weapon to guarantee the domestic market for big business. Today the Big Three in aluminum are protected from competition by the tariff; the Big Four rubber producers are protected against competition by a duty on tires and other rubber products. The tariff assists the big paper companies and the big soap companies in controlling prices on those products in the United States. The tariff is no longer in many instances a sheltering arm for small competitive enterprise but a device utilized to protect the concentrated market of big business against competition.

At the same time, our high tariff makes enemies abroad. Unless the powers to continue reciprocal-trade agreements are authorized by the basic legislation undiluted by such amendments as is here offered, the United States will be criticized throughout the world for making it virtually impossible for many nations to rehabilitate their economy through international trade. How can we at the same time demand that we cease to assist these countries financially because they should be required to rely upon their own economies and at the same time foreclose them from the very markets which they must have in order to dispose of their goods. This reasoning is so elementary that it should be self-evident. Yet the same voices who cry loudest for abandoning our foreign-aid program are the very ones which now speak out against programs for reducing our tariffs or attempt to hobble such programs with crippling amendments.

Mr. Speaker, our Tariff Commission must remain untarnished, unsullied with politics and partisanship.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. RABAUT].

(Mr. RABAUT asked and was given permission to speak out of order.)

JOINT RESOLUTION FOR THE PROCLAMATION OF A NATIONAL DAY OF PRAYER AND REPARATION

Mr. RABAUT. Mr. Speaker, I have today introduced a joint resolution, calling upon the President of the United States to proclaim a national day of prayer and reparation.

The words of Abraham Lincoln's second inaugural address, from which I have drawn freely in writing the preamble to this resolution, express far more eloquently than could I, the purpose which such a day would serve at this hour of world history. As apt today as they were almost a century ago, Lincoln's words remind us that—

We have been preserved these many years in peace and prosperity. We have grown in numbers, wealth, and power as no other nation has ever grown; but we have forgotten God. We have forgotten the gracious hand that preserved us in peace, and multiplied

and enriched and strengthened us; and we have vainly imagined, in the deceitfulness of our hearts, that all these blessings were produced by some superior virtue and wisdom of our own. Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, to proud to pray to the God that made us.

It behooves us then—

He said—

to humble ourselves before the offended power, to confess our national sins, and to pray for clemency and forgiveness.

It is my deep conviction, Mr. Speaker, that we in the 20th century have forgotten God. New wealth and new blessings have come to us over the decades that would have astounded Lincoln, but he would find nothing new in the same presumptuous pride that afflicts us today.

After World War II we sought, through the United Nations, the establishment of enduring world peace. But we are, today as in Lincoln's day, too proud to pray to the God that made us, too proud to ask the divine guidance to follow His law.

Blinded by our achievements, we have become an end unto ourselves, and so blinded we are destined forever to grope in vain for the peace that cannot be without Him.

In the deepest humility, I submit that, as a Nation, we should turn, for just 1 day, to Almighty God in suppliant prayer, asking His mercy and forgiveness, that we may realize with Lincoln "the sublime truth announced in Holy Scriptures and proven by all history, that these nations only are blessed."

House joint resolution requesting the President to issue a proclamation designating an appropriate day as a National Day of Prayer and Reparation

Whereas in the words of Abraham Lincoln's second inaugural address, "it is the duty of nations as well as of men to own their dependence upon the overruling power of God; to confess their sins and transgressions in humble sorrow, yet with assured hope that genuine repentance will lead to mercy and pardon; and to recognize the sublime truth announced in the Holy Scriptures and proven by all history, that these nations only are blessed"; and

Whereas we have, as a nation, "forgotten the Gracious Hand that preserved us in peace, and multiplied and enriched and strengthened us; and we have vainly imagined, in the deceitfulness of our hearts, that all these blessings were produced by some superior virtue and wisdom of our own"; and

Whereas we have, as a nation, "become too self-sufficient to feel the necessity of redeeming and preserving Grace, too proud to pray to the God that made us"; and

Whereas we may justly fear that it is God's chastisement for our transgressions which we now suffer in the conflict in Korea and in the suspicion and ill will which divide mankind the world over; and

Whereas we should, as a nation, "humble ourselves before the Offended Power, to confess our national sins, and to pray for clemency and forgiveness": Therefore be it

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation designating an appropriate day as a National Day of Prayer and Reparation and calling on the people of the United States to observe such day, and urging the participation of all Americans and all religious groups, regard-

less of sect or creed, in the observance of such day by such means as they may deem appropriate.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. REAMS].

(Mr. REAMS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REAMS. Mr. Speaker, H. R. 5495 is titled "a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes." With the stated purposes of this bill I am in complete agreement. There was never a time when the extension of Reciprocal Trade Agreements was more important to this country. In my judgment we must continue to act more like a creditor nation and work toward a free trade policy with the rest of the world. It is only by giving the other nations of the world an opportunity to sell their products here that we can continue to sell United States products all over the world. The ruinous alternative is to continue to pauperize the world and impoverish ourselves by the "handout" program.

The reciprocal trade agreements offer a selective manner in which trade with other countries can be expanded on a controlled basis. There are industries and groups of workmen who must have some protection for the time being. This is, first, that we may not give to these industries and their skilled workmen too sudden a shock from outside competition. It is also that we may retain under a controlled basis a group of skilled workmen for certain products which may be needed for our national defense program. It is also for protection of products like tung oil which we may sorely need should we again be shut off from the Orient. With all of this I am in hearty agreement.

With that part of title II of this bill which changes the composition of the United States Tariff Commission from 6 bipartisan commissioners to 7 commissioners, I am in complete disagreement. A study of the history of the Tariff Commission, its purposes and its record of achievement since its inauguration in 1916 commends the continuation of this bipartisan type of a commission. It has from the time of its creation consisted of 6 commissioners, not more than 3 chosen from the same political party. Its members have been appointed by the President and confirmed by the Senate for terms of 6 years. It has, insofar as I have been able to learn, operated as a truly bipartisan body, its activities being without political significance. The chairman and vice chairman have been chosen annually by the President from the membership of the commission.

If the provision in title II of the Reciprocal Trade Agreement Extension Act of 1953 becomes the law, the Tariff Commission will henceforth have 4 members from 1 of the political parties, presumably the majority party and 3 from the other. It will then become a political commission without any apparent cause or any need for such a change.

Operating within the executive department of the Government there are 9 regulatory commissions. These are policy-forming commissions that are actually a part of the executive branch of the Government. There is good reason for these commissions to recognize, at least to some extent, their responsibility to the Chief Executive. These regulatory commissions consist of the Federal Power Commission, the Federal Trade Commission, the Federal Communications Commission, the Civil Aeronautics Board, and others. They have an uneven number of members of whom more than one half may be members of the President's party.

The United States Tariff Commission was created and has operated for 37 years as a board of 6 members not more than 3 of whom are of the same political party. Its duties are and have been to investigate rather than to regulate. It is not a policymaking Commission and a Commission which is responsible both to the Congress and the President for the purpose of investigation into tariff problems and for giving accurate information to the executive department and to the Congress. The very nature of the duties and activities of the United States Tariff Commission forbids it to espouse political theories or policies. Its primary duties are to investigate and report its findings to the President, the House Ways and Means Committee and the Senate Finance Committee. The investigative duties of the Tariff Commission as set up by law and confirmed by its years of practice are:

First. To investigate the administration of the customs laws of the United States and their effect upon the economy of our country and the income of our people.

Second. To investigate the tariff relations between the United States and foreign countries, including commercial treaties, preferential provisions, and economic alliances. This includes a report on the volume of importations compared with domestic production, and the effect of competition of foreign industries on the United States production.

Third. Is the duty of surveying domestic and foreign industries and publishing a factual digest concerning more than 2,000 commodities with which our tariff laws are or may be concerned.

Fourth. To report the difference in production costs of similar articles produced in the United States and abroad in order to ascertain what effect the differential between wages paid in this country and other countries has on the cost of the product to the American people. This is very important under the flexible tariff provisions and our reciprocal-trade agreements. It also is important in discovering where protection may be needed.

In addition to these duties, the Tariff Commission has also been charged with securing information on unfair competition in import trading, ascertaining whether foreign countries practiced discrimination against the commerce of the United States, and the practical operation of our trade agreements including the Philippine Trade Act of 1946.

These are the bulk of the duties of the United States Tariff Commission. They are functions of investigating and reporting on the enumerated and other related matters. These subjects of investigation may originate with the members of the Commission or by request by committees of Congress and the President or members of his staff in the executive departments. There is every reason why this Commission should be kept completely bipartisan. Useful information is the same whether it is Republican or Democratic.

The Tariff Commission does not make any decisions wherein a deciding vote of an extra member of the Commission is important to advance the political theory of any President and his party. If the United States Tariff Commission carries out its duties under the law and gathers the needed facts, these facts are exactly the same regardless of whether the Commission consists of 6 or 7 members and which party controls the majority at the time.

If the duties upon each Commissioner are so heavy that it is necessary to add additional Commissioners, then I would urge that two additional members be added and that the bipartisan aspect of the Commission be preserved. So far as I am able to learn or ascertain from a study of the Tariff Commission throughout its long and useful career, I find no other valid reason for increasing its number. I am opposed to the principle and the practice involved in this provision of the bill which would make a partisan board out of this bipartisan Tariff Commission.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Speaker, in 1934 I voted against the first reciprocal-trade agreements bill, fearing what it would do to domestic industry in the United States. The facts, I think, have proven the results to be as I expected.

Mr. President, I do not oppose increasing the number of members on the Tariff Commission because I think it is so bad that you cannot make it any worse. I do not oppose a study of this whole problem because certainly there is no problem facing our people that requires more study. But I do want, in this brief time, to give you a picture of what is happening to the industries about which I know the most, the glass industry, the pottery industry, the tile industry, the coal and oil industries, all of which are of extreme importance in my district.

Mr. Speaker, we compete with cheap foreign labor; we not only compete with cheap foreign labor but we have other disadvantages in trying to meet price levels of imports. Let me give you the picture on glassware. In 1950, 23 million pieces of glassware came into this country. In 1952, just 2 years later, over 50 million pieces of glassware came into this country, and on the basis of February and March of this year, 130 million pieces of glassware will come in during 1953. Imagine! In 1950, 23 million pieces came from countries having cheap labor, and these are all handmade products in which labor is about 70 per-

cent of the cost. In 1953, just 2 years later, it is estimated that 130 million pieces of glassware will be imported.

Let us look at pottery. In 1950, 175 million pieces of pottery came into this country, and it is estimated that 190 million pieces of pottery will come into this country this year.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from West Virginia.

Mr. BAILEY. In 1952, 36 percent of all the pottery products consumed in this country were imported from abroad.

Mr. SECREST. If this policy of free trade keeps on they will all be imported from abroad. This year, at the rate of imports so far, 320 million pieces of pottery and glass will come into this country.

Look at the picture in tile. In 1950 we exported three times as much tile as we imported. In 1951, just the next year, we imported more tile than we exported. The tile business and the pottery and glass industries are being destroyed.

Now we are destroying in great measure, by importing last year 128 million barrels of residual fuel oil, coal mining and many other industries.

In 1952, \$61 million worth of jeweled watches and watch movements were brought into this country, which I am told was over half the domestic consumption of those items. Over \$5 million worth of motorcycle parts, and over \$34 million worth of fish were brought in, to compete with the fisheries in California and other parts of this country. Cord and twine were brought in to the extent of over \$3 million, and many, many other items were imported.

We thought we had gained a victory when we added the escape clause to the Tariff Act, but what happened? Twenty-six applications were filed in 1952 and relief was given only to two small industries. If this policy keeps on of giving money abroad out of the taxpayers' resources and at the same time destroying industry here at home, where will we be in another 20 years? A bankrupt Nation with no industry left to produce the wealth of the country or to defend ourselves in time of war.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio.

Mr. SECREST. I want to show you two pieces of glassware. They are identical. One piece is produced in Bellaire, Ohio, being designed by men drawing large salaries. As soon as this was put on the market and a copy could be made, in came another one like it from Germany. This is made in the district next to mine at wages averaging \$1.60 an hour, and it is made to sell for \$1.25. This one was purchased in Macy's store. It is identical, and it was made in Germany, copied, for 80 cents. The people we compete against in connection with these handmade articles, pottery and glassware, motorcycles, and all the other things that have much labor involved in them, get about 25 percent the wages our people get. We are

either going to have to bring our wages down, which no one wants to do, or bring their wages up, which we cannot do, or we have the alternative of going on a quota basis and saying that 5 percent of the pottery we will use or 10 percent of the glassware we use can come in from outside. If we do not do something of that kind, we will have lost all these industries.

I am speaking for those industries I know, but there are men here with many, many industries in their own districts that are being destroyed because we are trading machine-made goods for handmade goods. Every time you make a day's work by sending over mass-produced goods you put 10 people out of work in our own country for every day you gain. If we keep it up, there will not be anyone working in America. What will happen to our standard of living and to our potential if we get into another war? I think this thing needs a study if anything ever did. I am not hopeful unless they put someone on the Commission who really is sincere in trying to solve these problems. We all know we must have imports, but we do not want destructive imports to completely destroy an industry. I want another man on the Tariff Commission, but 7 baboons cannot teach school any better than 6, and unless we put a better man on the Commission than those we have, we are done in this country.

(Mr. PERKINS asked and was given permission to extend his remarks at this point.)

Mr. PERKINS. Mr. Speaker, I must protest this procedure whereby H. R. 5495 has been brought before the House—subject to a closed rule, barring the consideration of amendments from the floor, except with reference to the proposal to add another member to the Tariff Commission. This action is contrary to the practice heretofore followed with respect to reciprocal trade agreement legislation—except during the 80th Congress—which has been considered by the House under open rule permitting amendments. There are many members in this body who would like to have the opportunity to vote for a sound reciprocal trade bill, a bill of sufficient duration to give importers and exporters some assurance of stability.

Personally, I do not intend to go along and support this legislation unless this rule is defeated. I feel that we should have the opportunity to present the viewpoint of the coal people and the coal miners on this floor.

The adoption of this gag rule deprives the members from the coal-producing areas of the opportunity to offer an amendment to H. R. 5495 so as to place a necessary limitation upon excessive imports of residual oil. This undemocratic and arbitrary foreclosure, denying the House its rightful opportunity to deal with this urgent and important problem is shameful.

I have personally advocated since the commencement of this session that the residual oil problem be treated separately, inasmuch as the coal industry is most vitally affected of all basic industries by the importation of residual oil.

The committee declined to follow that procedure but decided to tie our problem up with numerous other industries, none of which face a critical situation comparable to the coal industry.

Another bill, H. R. 5496, contains provisions in section 322 which would place reasonable limitations upon the dumping of surplus residual oil into this country. This bill contains the provision identical to the bills introduced by more than 20 Congressmen from the coal-producing areas. This double-play combination of a closed rule on H. R. 5495, and continuing inaction upon H. R. 5496, has bottled up efforts to provide a needed solution of the critical problem of excessive and increasing residual oil imports which are so seriously disrupting our domestic coal markets and depriving our miners of the opportunity to work in order to support their families and educate their children.

The plight of the coal industry and our miners resulting from swollen imports of residual fuel oil from the Caribbean area is a special problem not to be confused with the desirable objective of promoting beneficial international trade.

I have always supported legislation to further reciprocal trade agreements because I firmly believe that continued efforts to develop sound trade relations with other countries of the free world are absolutely essential to our own interests.

It is not right, however, to permit big oil to destroy the coal industry. Huge volumes of residual oil dumped as a waste byproduct at any price it will bring in our fuel markets do not provide a solid base for international trade. This mounting flood of residual oil from a single producing area is an exceptional problem which requires corrective action without further delay. We must act upon this problem now with proper recognition of the indispensability of our coal industry and our coal miners to the long-range needs of the domestic fuel economy and our national security.

Consider what the situation will be in the unhappy event of a future emergency, if we continue recklessly to depend upon erratic supplies of residual fuel oil now being dumped expeditiously on our shores while our own vital coal industry has been allowed to suffer attrition.

Let us not forget also that during World War II, with a much larger number of miners than now, there was such a shortage of manpower that we deferred thousands as more essential in the mines than in the Armed Forces. Mr. Speaker, the miners, not only in Kentucky, but throughout the Nation, have been waiting patiently for the opportunity to present their case to this body. These laboring people and the coal industry deserve just and equitable treatment. They are entitled to their day in court. The protests and warnings of the miners and the coal industry, as presented to the committee, are being ignored. The unfortunate consequence of the proposed closed rule which has been handed down on H. R. 5495 deprives the Members of Congress of the opportunity of offering amendments to deal with this problem which vitally concerns the Nation as a whole.

Let us vote against this rule in order that this House may have the opportunity to work out a sound reciprocal trade bill, and, at the same time, do something to improve the serious situation in the coal industry.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 120, noes 14.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5495, with Mr. HOEVEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill H. R. 5495, the Trade Agreements Extension Act of 1953, is the ninth extension of the act since its original enactment in 1934. The purposes of H. R. 5495 are clearly set forth in the committee report which accompanied the bill. I shall quote from the committee report as follows:

Year	Emergency confronting United States	Argument for program
1934.....	Depression.....	Sole purpose is to rebuild domestic economy by encouraging exports.
1937.....	Threat of wars abroad.....	Will help to preserve world peace through increased international trade.
1940.....	War in Europe, fear of United States being involved.	Will not involve United States in war. Will help build enduring peace for this Nation and the world.
1943.....	Winning the war and establishing lasting peace.	Failure to extend agreement would discourage our allies. Agreement essential to lasting peace.
1945.....	Establishing a lasting peace and post-war prosperity.	Indispensable to world peace. Essential to domestic prosperity. We will have to find foreign markets for our surplus production. (NOTE.—Cost our taxpayers \$45 billion in aid to find markets.)
1947.....	Threat of new world war.....	War dislocations have resulted in widespread world poverty tending toward war. Reciprocal trade agreement program will spread wealth throughout the world.
1948.....	Threat of new world war continues....	Trade agreement program only way United States can contribute its full share to sound economy and peace.
1949.....	Threat of new world war; concern with mounting cost of foreign aid.	Trade agreement program is necessary to protect our tremendous investments abroad. It will promote world economic recovery and peace.
1951.....	Menace of aggressive communism.....	Agreements will strengthen free world.
1953.....	Time of peril.....	"The long-term economic stability of the whole free world and the overriding question of world peace will be heavily influenced by the wisdom of our decision."

NOTE.—On Dec. 7, 1941, the United States was involved at Pearl Harbor. Not counting ships and planes, our losses were as follows: Navy: 2,117 officers and men killed; 960 men missing; 376 wounded. Army: 226 officers and men killed, 396 men wounded.

Without our exports to Japan this tragedy would not have occurred.

Japan not a signatory to an agreement, yet she had the benefit of the most-favored-nation clause in stockpiling with our exports.

1. Extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements as requested by the President;

2. Reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on application for relief under the escape clause;

3. Increase the membership of the Tariff Commission from 6 to 7;

4. Establish a temporary bipartisan commission to be known as the "Commission on Foreign Economic Policy" which will provide the mechanism for a thorough examination of our foreign economic policy as recommended by the President.

From the day of the enactment of the Reciprocal Trade Agreement Act in 1934 and even prior to its enactment, a torrent of propaganda was poured through churches, schools, patriotic societies, the press and magazines, urging its enactment as a cure for the so-called emergency of the moment namely "a depression."

The free-trade advocates in 1934 argued that its sole purpose was to rebuild domestic economy by encouraging exports.

I am including at the close of my remarks some tables which show that the increased exports about which the free-trade sponsors of the 1934 act bragged were in fact war supplies exported to aggressors who were then preparing for war. The increased exports stockpiled the aggressor nations.

I call the attention of the Members of the House to the following analysis of the arguments officially advanced by the executive branch to the Congress in support of the reciprocal-trade program since 1934. It will be noted that each time the question of its renewal was before the Congress, it was urged that the program was an indispensable part of any policy designed to remedy whatever emergency was facing the country at the moment.

TABLE C

Commodity	1933			1935		
	Germany	Italy	Japan	Germany	Italy	Japan
Raw cotton:						
Bales.....	1, 653, 098	803, 700	1, 813, 845	590, 184	451, 575	1, 517, 997
Dollars.....	77, 106, 754	37, 501, 111	86, 699, 273	38, 452, 681	29, 935, 050	98, 586, 883
Petroleum and products: Dollars.....	9, 810, 577	5, 575, 404	14, 440, 009	14, 018, 950	9, 798, 905	25, 650, 244
Aviation gasoline.....						
Iron and steel scrap:						
Tons.....	14, 111	114, 419	547, 539	4, 113	382, 772	1, 065, 143
Dollars.....	162, 099	858, 739	4, 738, 917	99, 142	4, 164, 559	10, 843, 964
Steel ingots, blooms, etc.:						
Tons.....	8			70		30, 868
Dollars.....	750			1, 275		598, 192
Tin plate:						
Pounds.....		5, 841, 477	53, 632, 500	225	5, 887, 388	48, 269, 007
Dollars.....		208, 827	1, 924, 639	13	233, 165	1, 874, 099
Tin plate scrap:						
Tons.....					2	31, 961
Dollars.....					30	661, 482
Copper refined:						
Pounds.....	34, 762, 322	30, 037, 514	28, 158, 249	49, 832, 842	90, 493, 875	106, 265, 391
Dollars.....	2, 523, 043	2, 026, 793	1, 589, 136	3, 822, 008	6, 746, 111	7, 888, 379
Copper scrap:						
Pounds.....	8, 927, 880	113, 005	7, 399, 436	11, 701, 869	13, 331	3, 243, 049
Dollars.....	489, 932	5, 608	392, 263	765, 219	920	228, 697
Motortrucks, buses, etc.: Dollars.....	2, 833	10, 708	1, 238, 889	16, 902	539, 490	2, 834, 813
Aircraft and parts: Dollars.....	349, 539	21, 005	339, 208	195, 464	789, 826	950, 377
Firearms and ammunition: Dollars.....	8, 626	3, 674	6, 947	21, 472	394	6, 448
Machine tools: Dollars.....	36, 710	12, 937	34, 562	8, 025	86, 703	80, 363

TABLE D.—Comparison of United States exports, exports of certain "war materials" and imports for the 3-year periods, 1932-34 and 1937-39, United States exports to and imports from Germany, Italy, and Japan

GERMANY			
Year	United States exports of "war materials" to Germany	Total United States exports to Germany	United States imports from Germany
1932.....	\$78, 866, 378	\$133, 668, 000	\$73, 572, 000
1933.....	90, 490, 863	140, 024, 000	78, 185, 000
1934.....	64, 868, 762	108, 738, 000	68, 805, 000
Total, 3 years.....	234, 226, 003	382, 430, 000	220, 562, 000
1937.....	87, 848, 835	126, 343, 000	92, 468, 000
1938.....	63, 862, 747	107, 130, 000	64, 550, 000
1939.....	39, 300, 509	46, 475, 000	52, 448, 000
Total, 3 years.....	191, 012, 091	279, 948, 000	209, 466, 000
Average for 3 years, 1932-34.....	78, 075, 334	127, 476, 667	73, 520, 667
Average for 3 years, 1937-39.....	63, 670, 697	93, 316, 000	69, 822, 000
Percent decrease 1937-39 over 1932-34.....	18	27	5

TABLE D.—Comparison of United States exports, exports of certain "war materials" and imports for the 3-year periods, 1932-34 and 1937-39, United States exports to and imports from Germany, Italy, and Japan—Continued

ITALY			
Year	United States exports of "war materials" to Italy	Total United States exports to Italy	United States imports from Italy
1932.....	\$34, 247, 289	\$49, 135, 000	\$42, 403, 000
1933.....	46, 224, 806	61, 240, 000	38, 571, 000
1934.....	43, 764, 243	64, 578, 000	35, 749, 000
Total, 3 years.....	124, 236, 338	174, 953, 000	116, 723, 000
1937.....	59, 275, 083	76, 830, 000	48, 170, 000
1938.....	44, 615, 202	58, 292, 000	41, 241, 000
1939.....	46, 326, 978	58, 864, 000	39, 922, 000
Total, 3 years.....	150, 217, 263	193, 986, 000	129, 333, 000
Average for 3 years, 1932-34.....	41, 412, 113	58, 317, 667	38, 907, 667
Average for 3 years, 1937-39.....	50, 072, 421	64, 662, 000	43, 111, 000
Percent increase, 1937-39 over 1932-34.....	21	11	11

TABLE D.—Comparison of United States exports, exports of certain "war materials" and imports for the 3-year periods, 1932-34 and 1937-39, United States exports to and imports from Germany, Italy, and Japan—Continued

JAPAN			
Year	United States exports of "war materials" to Japan	Total United States exports to Japan	United States imports from Japan
1932.....	\$104, 913, 214	\$134, 921, 000	\$134, 011, 000
1933.....	111, 403, 843	143, 435, 000	128, 418, 000
1934.....	161, 535, 757	210, 480, 000	119, 251, 000
Total, 3 years.....	377, 852, 814	488, 836, 000	381, 680, 000
1937.....	180, 839, 343	288, 558, 000	204, 201, 000
1938.....	165, 193, 073	239, 662, 000	126, 762, 000
1939.....	184, 813, 321	232, 184, 000	161, 212, 000
Total, 3 years.....	530, 845, 737	760, 404, 000	492, 175, 000
Average for 3 years, 1932-34.....	125, 950, 938	162, 945, 333	127, 226, 667
Average for 3 years, 1937-39.....	176, 948, 579	253, 346, 000	164, 058, 333
Percent increase 1937-39 over 1932-34.....	40	55	29

TABLE E.—Total exports of war materials to Germany, Italy, and Japan

To Germany (1935 through 1939).....	\$323, 099, 694
To Italy (1935 through 1939).....	243, 334, 019
To Japan (1935 through 1940).....	949, 018, 892
Grand total.....	1, 515, 452, 605

TABLE F

[Value in thousands of dollars]

Commodity	1929	1932	1933	1934	1935	1936	1937	1938	1939
Aircraft parts and accessories: Value.....	\$9, 126	\$7, 946	\$9, 181	\$17, 663	\$14, 292	\$23, 143	\$39, 404	\$68, 228	\$117, 806
Motortrucks:									
Number.....	196, 760	24, 964	43, 516	92, 723	99, 080	106, 239	166, 167	115, 788	115, 301
Value.....	\$111, 435	\$11, 716	\$20, 113	\$44, 207	\$50, 582	\$54, 961	\$100, 376	\$72, 220	\$69, 622
Iron and steel scrap:									
Thousand tons.....	557	228	773	1, 835	2, 079	1, 892	4, 062	2, 987	3, 550
Value.....	\$7, 748	\$1, 859	\$6, 874	\$19, 188	\$21, 500	\$22, 049	\$76, 810	\$45, 155	\$54, 790
Pig iron:									
Tons.....	46, 357	2, 324	2, 750	4, 096	4, 107	5, 316	782, 436	432, 857	177, 023
Value.....	\$830	\$54	\$64	\$97	\$96	\$119	\$19, 403	\$7, 135	\$3, 436
Steel ingots:									
Tons.....	42, 578	1, 627	3, 169	19, 586	39, 782	20, 400	338, 722	167, 641	215, 778
Value.....	\$1, 500	\$64	\$114	\$577	\$901	\$607	\$13, 392	\$5, 905	\$8, 124
Petroleum and products: Value.....	\$561, 191	\$208, 381	\$200, 016	\$227, 537	\$250, 327	\$263, 149	\$376, 239	\$388, 606	\$383, 122
Nonferrous metals (except precious) including aluminum, copper, zinc, lead, nickel, and brass: Value.....	\$238, 815	\$33, 210	\$36, 946	\$68, 276	\$69, 066	\$76, 217	\$129, 245	\$117, 664	\$151, 919
Steel sheets (black ungalvanized, and not containing alloys): Value.....	\$14, 807	\$2, 844	\$2, 465	\$6, 025	\$6, 550	\$10, 003	\$22, 464	\$15, 155	\$18, 456

TABLE F—Continued

[Value in thousands of dollars]

Commodity	1929	1932	1933	1934	1935	1936	1937	1938	1939
Munitions, Gunpowder, value etc. ¹	\$7,250	\$2,362	\$3,555	\$4,385	\$4,284	\$6,020	\$7,672	\$10,305	\$7,780
Tractors and parts: Value.....	\$75,224	\$5,096	\$6,252	\$11,926	\$18,609	\$28,750	\$52,859	\$51,421	\$47,989
Passenger cars and chassis (new):									
Number.....	339,617	40,656	63,754	143,914	172,572	179,957	229,186	161,612	137,866
Value.....	\$234,539	\$23,286	\$31,805	\$77,783	\$94,511	\$103,024	\$134,815	\$100,143	\$84,658
Raw cotton, except linters:									
Thousands of pounds.....	3,884,766	4,714,631	4,411,597	3,028,802	3,084,719	2,826,078	3,034,779	2,288,437	2,404,493
Value.....	\$764,760	\$343,182	\$395,163	\$397,165	\$383,898	\$353,822	\$360,023	\$224,293	\$239,222
Total value.....	\$2,026,725	\$640,000	\$712,553	\$874,829	\$914,116	\$941,864	\$1,332,702	\$1,106,230	\$1,186,924

¹ Includes light arms (revolvers, rifles, etc.) machine guns and heavy ordnance guns, cartridges, shells, gunpowder, dynamite, and other explosives.

Source: Foreign Commerce and Navigation of the United States, 1929, 1932-39, U. S. Department of Commerce.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the time is very limited for the consideration of this very important bill. Many requests have been made by Members for time to speak on this bill, so in view of that situation I shall only ask your indulgence long enough to make a brief statement.

Mr. Chairman, it is rather interesting to note in passing that the situation exists on this bill as it has throughout this session of Congress, the distinguished chairman of the committee speaking in opposition to the program recommended by the President of the United States. We have had that type of situation existing all along during this session. The bill H. R. 5495 was favorably reported by the Committee on Ways and Means by a vote of 23 to 2.

Mr. Chairman, this bill includes four provisions:

First. It extends the present Trade Agreements Act for a period of 1 year.

Second. It reduces the time for the Tariff Commission to make its reports to the President under the escape clause provision from the present 1 year to 9 months.

Third. It provides for an increase in the membership of the Tariff Commission from the present 6 to 7 members, and increases the term from 6 to 7 years, and provides that not more than 4 of the members of the Tariff Commission shall be members of 1 political party.

Fourth. It provides for the Commission, as recommended by the President, to make a comprehensive study of the foreign trade policy of this country.

This bill is in response to a special message by the President of the United States to the Congress, which was submitted here immediately following the Easter recess.

Mr. Chairman, since its inception in 1934, the trade-agreements program has been the cornerstone of our foreign-trade policy. I have always strongly supported this program. It is my conviction that, judged in the light of its contribution to the prosperity and economic welfare of our country and the free nations of the world, it is one of the greatest programs ever adopted by the Congress.

The trade-agreements program has been an essential collateral to our foreign-aid programs, such as the Marshall plan and the program under the North Atlantic Treaty Organization setup. It has contributed very materially to the economic strength and solvency of the free nations of the world, while at the same time imposing a deterrent upon communistic aggression from without and subversion from within.

Trade agreements have been to the mutual advantage of all contracting parties. Under the trade-agreements program, our exports to countries with which we had trade agreements had increased about 60 percent from the inception of the program until the outbreak of World War II, while our exports to "nonagreement countries" had increased only about 30 percent. In this same period, imports from agreement countries increased about 20 percent, compared to an increase of only about 10 percent from nonagreement countries.

They have made foreign markets accessible to our farmers and other domestic producers, which we would never have gained otherwise. This has been beneficial to all elements of our economy—labor, industry, and agriculture alike—and has contributed greatly to our internal strength.

In 1951, our exports represented 8.9 percent of our production of movable goods. In money, this amounted to around \$15 billion, \$4 billion in agricultural products and \$11 billion in non-agricultural products. The \$4 billion in farm exports equaled the combined farm income of New York, North Carolina, Indiana, and Kansas, and the production of 53 million acres of farm land. We exported about one-third of our total production of cotton, wheat, flue-cured tobacco, rice, dried whole milk, dried peas, and grain sorghums, and more than one-fifth of our total production of soybeans, dried fruits, hops, lard, and tobacco of all types. Even from this partial list of our farm exports, we can see that nearly every State has a large production of at least one farm product which is vitally dependent upon exports. One dollar out of every eight dollars of the income of farmers came from exports. Stated in another way, income from exports averaged \$1,100 for each commercial farm in the United States.

Of our total production of nonagricultural commodities in 1951, exports in some cases ran as high as 41 percent.

This was true in the case of sardines. In the case of road graders, we exported 30 percent of our total production; in the case of tractors, 21 percent; trucks, 16 percent; refrigerators, 14 percent, and machine tools, 11 percent. Most of these industries were running at full capacity. We can see that if their export markets were lost, the cutback in their production could run as high as 41 percent.

These figures indicate the importance of our export trade to our economy. It has been estimated that if there should be a decline in the exports of farm products so as to increase the supply available to our domestic market by only 7 or 8 percent, farm prices would fall as much as one-third. Repercussions from such an event would be a severe blow to our entire economy, since, as we all know, when our farm economy suffers, economic reverberations are country-wide.

At a time when our defense preparedness program is about to reach its peak, and when it appears that foreign aid has been successful in rehabilitating the war-torn economies of many friendly foreign nations, it is more than ever necessary to reaffirm our determination to continue the trade agreements program in our own self-interest, and in the interest of constructive and cooperative international effort and relations.

We must foster well-balanced, self-sustaining and mutually beneficial international trade, since the international economic policies and relations of the United States are one of the main foundations not only of our own national security and prosperity, but of the security and prosperity of all the friendly nations of the world. Since we have got these nations to cast their lot with us in our fight against world communism, we must assure them that they will not find us returning to economic isolation.

I am quite agreeable to a 1-year extension of the President's authority to enter trade agreements, as proposed in the bill under consideration. However, I very strenuously oppose title II of this bill, which would make a fundamental and basic change in the Tariff Commission from its present nonpartisan, fact-finding nature to a partisan, political nature.

From the very beginning of the Tariff Commission in 1916, Congress has very carefully and purposefully intended that the Tariff Commission be independent of politics and objective in its functions. I quote from a letter from President

Wilson to the chairman of the Committee on Ways and Means, recommending the establishment of a permanent Tariff Commission, dated January 24, 1916.

What we need would be, above all things else, a board (tariff board) as much as possible free from any strong prepossession in favor of any political policy and capable of looking at the whole economic situation of the country with a dispassionate and disinterested scrutiny.

Partisan politics has no business whatever in determining the composition of the Tariff Commission. The Commission's function should continue to be the ascertainment of economic facts by qualified, experienced and objective staff personnel and members. In 1929, an attempt was made to change the nonpartisan nature of the Tariff Commission, and the attempt was very roundly defeated.

This proposal to change the Tariff Commission from a nonpartisan fact-finding body to a partisan body is sponsored by those who have been known as opponents to the Trade Agreements Program from its very inception.

The main argument advanced for this proposal to "pack" the Tariff Commission is that it would avoid evenly-split decisions in escape-clause proceedings. There is certainly no precedent for this, because findings in escape-clause proceedings by the Tariff Commission have always been either unanimous or by a majority vote. When this argument fails, this provision stands out even more prominently in its true light, as an attempt by economic isolationists to do indirectly what the Congress has not permitted them to do directly.

I feel it my duty to point out that many persons feel that it would be better not to renew the President's authority to enter reciprocal trade agreements at all, if it is not possible to renew his authority without changing the traditional and historical nature of the Tariff Commission. The reason for this position is that there are no plans to negotiate new trade agreements in the coming year, and to renew the President's authority while at the same time changing the Tariff Commission to a political body will give the opponents of the trade agreements program an opportunity to eat away at existing trade agreements, and eventually destroy them.

It is my fervent hope, as one who has always supported the trade agreements program, that the provision increasing the Tariff Commission from 6 to 7 members will be stricken from the bill.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, within the next few weeks the fishing industry in New England will appeal to the Tariff Commission for relief to determine whether the increases in imports into this country cause serious injury to the domestic fishing industry producing like or competitive products.

As a consequence of the last appeal, the Tariff Commission refused the request for relief on September 4, 1952, by a split decision. It is my firm belief that the more damaging effect of recent

imports should persuade the majority to change its opinion when the new testimony is presented. It is quite obvious to me, and to members of the fishing industry, that this business cannot possibly survive if the imports continue to increase as they have in recent years. In the year 1940, only 10 million pounds of ground fish fillets came into this country, and it represented only 10 percent of domestic consumption. In 1951 87 million pounds were imported and represented 37 percent of the domestic consumption, and in 1952, 107 million pounds of fish were imported, which represented over 45 percent of the domestic consumption. Many of the firms, both large and small, in Gloucester, Mass., sustained large losses a year ago and indications are, at the moment, that the losses will be more substantial during the present year.

As a result of the tremendous imports of a year ago, the storage of frozen fillets in the United States amounted to 51 million pounds in January of 1953, while in January of 1952 they only amounted to 33 million pounds. The 5-year average of fish holdings amounted to only 29 million pounds. Because of this, landings in Gloucester, Mass., which had amounted to 91 million pounds in the January-May period of 1951, and 58 million pounds in the January-May period of 1952, amounted to only 42 million pounds for the 6 months of the present year. Production of fish has also steadily declined. In the month of May 1951, in Gloucester production amounted to 27 million pounds. In 1952 it was 21 million pounds. In May of this year, production amounted to only 16 million pounds.

This appeal to the Tariff Commission will undoubtedly be the last one because if a favorable decision is not granted, the domestic fishing industry may close its doors and thus sadly end 329 years of fishing from that port. Unless some consideration is given, the industry will be faced with extinction and thousands of our people will become unemployed.

There is no basic controversy toward the extension of the Reciprocal Trade Act. The only opposition revolves on the proposal to increase the number on the Commission from 6 to 7 members. I am strongly in favor of this amendment and believe that the membership should be increased to an odd number. I can think of nothing more frustrating than to have the people of my district make their appeal and to receive the result of a 3-to-3 decision. Whatever opinion the Tariff Commission makes of the facts that will be presented to them, I say let that be a firm and clear-cut decision, not one that is evenly divided. Almost all Government activities which are established to make decisions have an odd number of members, so there is ample precedent established in this respect, although it has been said here today that this would establish a precedent. Rather the opposite is true. There are ample precedents in having an odd number of members on Government fact-finding boards, namely: 11, Interstate Commerce Commission; 5, Federal Power Commission; 7, Federal Communications Commission; 5, Federal Trade Commission; 3, Civil Service Commis-

sion; 5, Securities and Exchange Commission; 3, War Claims Commission.

This same situation should prevail on the Tariff Commission, and I strongly urge the House to accept the proposed amendment in order that the Tariff Commission may render unequivocal verdicts.

(Mr. BATES asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Ohio [Mr. JENKINS].

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

Mr. JENKINS. Mr. Chairman, I was a little amused a few minutes ago when my distinguished colleague the gentleman from Tennessee [Mr. COOPER] joked a little with Mr. REED about his regularity. Mr. REED, because of his seniority, his high character, and ability meets all the qualifications of a capable and eminent statesman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman from Tennessee [Mr. COOPER] said something about agricultural exports; and I assume that he was referring to the period of the last 3 or 4 years. I should like to have the gentleman discuss, and I should like to point out with him, the fact that a large part of the agricultural exports since April 1948, and up to last year were paid for by the American taxpayers, and given away to various countries of the world. I shall just cite three of them.

What: The American taxpayers paid for \$1,600,000,000 worth of wheat; \$1,200,000,000 worth of cotton; and \$450,000,000 worth of tobacco. These were all given away to these other countries, but were calculated in the figures presented by the gentleman from Tennessee [Mr. COOPER].

Mr. JENKINS. I am glad to have the gentleman's contribution, and I shall just take enough time to say that the distinguished gentleman from Minnesota appeared before the Ways and Means Committee when we were having public hearings on the bill H. R. 4294. He gave what I thought was a most lucid and complete dissertation with respect to the rights and problems of the farmers of this country. It is unfortunate that that bill that we were then considering was divided into two bills, one of which we are considering here today.

I should like to talk to you, my colleagues, just in an informal way as though we were talking shop. The predecessor of the present Simpson bill was H. R. 4294. That is the number of the bill about which you have been receiving so many letters for several weeks. That bill was prepared with the greatest care and with the finest purposes in mind. It was not only Mr. Simpson's bill, but it was the bill of all of the Republican members of the Ways and Means Committee. That was in part the bill of some of the leading authorities in the country

on the subject of the reciprocal trade agreements program. Our purpose was to prepare a bill that would meet the situation that was confronting the country and involving our economic, financial, and national welfare.

We had 5 or 6 meetings when we were preparing that piece of legislation. They were not secret meetings. They were not for the purpose of binding anybody. It was a meeting for the purpose of trying to find out just what was going on in the country, and what the different industries wanted, and what the people wanted to be included in the bill. We agreed on about what the substance of that bill should be and Mr. SIMPSON introduced H. R. 4294 on March 30, 1953.

Great interest in that bill was manifested immediately by many persons and groups that knew what it was all about. Among these groups were those interested in the coal industry which is one of the big industries of the country. And there was the pottery industry which is a great industry in Ohio and a number of other States. The railroads of the country were also much interested. Likewise the glass industry and the watch industry and the textile industry and about 30 or 40 other industries big and little were vitally interested in this bill.

We had long hearings before the Ways and Means Committee lasting for about 3 weeks.

People came from all over the country to testify. I suppose that 300 different witnesses appeared, of these only 10 or 12 were opposed to the bill H. R. 4294.

Congressman AUGUST H. ANDRESEN appeared for agriculture and many other Congressmen and Senators appeared. Democrats and Republicans appeared and they were at least 15 to 1 in favor of the proposed legislation.

I was proud of that bill and I thought that we would be able to pass it because it was of such vital importance to so many people.

Just about the time when these hearings were started the President indicated that the administration would prefer to give the matter further study. Four or five members of our President's Cabinet came before the committee and expressed their views. It developed that the President would like to have the Simpson bill put over for a future time. But in the presentation of their views they claimed that they would like to have a commission appointed to study the subject of our trade policy. But they indicated quite clearly that they were not inclined to relieve the situations about which so many witnesses had protested, to wit, the importation of a vast amount of commodities that were in competition with our American industries.

Secretary of State Dulles testified before the committee as follows:

I want to say to you that, as Secretary of State, I have no preconceived ideas and no policies to which I feel committed. I have a completely open mind. That is why I can conscientiously urge that there be in effect a "standstill" until this problem can be studied under fresh auspices in its relation to the complex problems into which tariff policy must be fitted. That is why I urge that H. R. 4294 should not now be adopted.

Its present adoption would have serious international repercussions, injurious to the best interests and welfare of the United States. It would be taken, throughout the free world, to forecast United States trade policies which would make it impossible for them to live without increasing association with and dependence on the Communist world.

Well, he probably did have an open mind.

The Secretary of State apparently had an empty mind as far as his knowledge of the bill was concerned because his mind apparently was set on benefiting foreign countries without regard for our domestic economy. His vision apparently was way across the oceans. He apparently was thinging about what what would be best for Europe and Africa. When I thought we were getting ready to vote out the Simpson bill that we had spent so much time on Mr. SIMPSON decided to divide his bill into two bills. This was done and the bills are numbered H. R. 5495 and H. R. 5496. After some consideration the Ways and Means Committee voted out H. R. 5495. This is the bill that we are considering today.

As has been stated this bill, H. R. 5495, does four things: first it extends the President's authority to make agreements for 1 year; second, it provides that the Tariff Commission shall consist of 7 members instead of 6 members; third, it provides for the appointment of a commission of 17 persons to spend several months in studying world conditions; fourth, it provides that the Tariff Commission should report its findings within 9 months instead of 1 year on escape-clause actions.

This Commission that is to be appointed should consist of 17 members. Seven to be appointed by the President and 5 by the Speaker and 5 by the Vice President. Those who are not now in Government service are to be paid \$75 per day with all expenses. This Commission no doubt will travel all over the world. If you pass this bill you know very well they will go to every country. You know how readily they go on a junket; do you not? They will no doubt have dozens of highly paid secretaries and high-titled experts and the cost will no doubt run into hundreds of thousands of dollars. And what will they do when they come back? They will come back with tall stories of the kind that we have been hearing for years. They will not know as much about tariffs and foreign trade as our own committee experts know now. There are not many people in our congressional districts who get \$75 per day and all their expenses. I am opposed to this extravagance. This would be a fine opportunity to save about \$500,000 which could be applied toward balancing the budget.

I am opposed to this bill. And I ought to give a reason for the faith that is within me. I can do that, I think. Here is the reason I am going to vote against the bill: Because it does not do anything that will be for the benefit of these thousands of people who need help badly—the conditions in the coal, glass, tile, and many other industries

are all very bad. They tell us that the other Simpson bill which is still pending in the committee will be passed by Congress and that that bill H. R. 5496 will take care of these distressed industries; I am looking at the Republican side now and I prophesy that this next bill will not pass this House. But if it does it will not pass the Senate. I shall not be a party to deceiving the hundreds of people who need help. We should not yield to pressure and lose a good cause.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my friend the gentleman from Pennsylvania.

Mr. EBERHARTER. At the time the gentleman drew up that bill there was no Democrat represented, not a single Democrat was represented.

Mr. BOGGS. Who drew up the bill? The gentleman mentioned drawing up a bill. There are 10 Democrats on the committee, but not one of us were present.

Mr. JENKINS. We had hearings for about 3 weeks every day. The gentleman asked questions. He was very busy there.

Mr. BOGGS. The gentleman talks about drawing up a bill. I saw the bill only after it was drawn up. Who drew it up?

Mr. JENKINS. What were you doing there during the 3 weeks that we had hearings?

Mr. BOGGS. We have not discussed the bill since the hearings.

Mr. JENKINS. Did the gentleman not participate in the hearings?

Mr. BOGGS. I sure did.

Mr. JENKINS. I thought you did. You are smart, and you knew what was going on.

Let me proceed. I want to say in all seriousness, and I know that a lot of you are exactly in my position, I do not like to be considered as voting against anybody, but I have the honor to represent a good many fine people. I have been here a good many years, and I think I know right from wrong. I know that the heart of the bill H. R. 4294, upon which we held hearings for days and days, is sound and should become law. It was progressing nicely, but something came along, and the Simpson bill was divided. They put in one bill those parts that are before us today. But the heart of the bill is back there in the committee and is represented as H. R. 5496. We are going to vote on it in committee tomorrow, I think. When it comes out, I bespeak for it your serious consideration. But I hear that if it ever passes this House it will never survive in the Senate. I hear all of these things, and I tell my people in my district that I have done my very best. That is all I can do, and that is the way I expect to vote.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Tennessee.

Mr. COOPER. Our distinguished colleague says he does not know what happened. What happened was that President Eisenhower sent a special message to Congress and all the members of his

Cabinet appeared before the committee in opposition to the original Simpson bill. When I asked Mr. Dulles the specific question:

Mr. Secretary, do you think it would be better for the present law to expire than to enact the Simpson bill at this time?

He said:

Yes.

Mr. JENKINS. He said he would rather see the present law expire than to see our bill H. R. 4294 pass.

Now, then, to come back again to the hearings on the original bill. Who appeared against the bill? A few members of the President's Cabinet, and they all had the same little speech. They want this great big study commission appointed; they wanted the existing law that has done so much damage extended a year. Who else came before the committee? Why, there were witnesses representing the Norfolk & Western, the Pennsylvania Railroad, and the C. & O. Railroad, the greatest coal carriers in this country. All of them appeared in favor of the proposed bill H. R. 4294.

Who else came before the committee? The representatives of dozens of the small oil-producing organizations in the country? Who else? Well, what is left of the glass producers, also the poor watchmakers and the pottery makers.

These representatives of these groups are a fine segment of our citizenship. They should not be punished so that someone or some group might gain political advantage.

I was a little bit disappointed in the testimony of some of the members of the Cabinet. Of course, they are all fine men and are entitled to their own views. Likewise, I am not finding fault with the President, I know Mr. Eisenhower well, I know that his integrity and his patriotism cannot be challenged. It is unfortunate that many deserving persons and business concerns must suffer for something for which they are in no way responsible.

Again I say that we have a serious proposition, before us, not only the Republicans but the Democrats as well. Those of you who represent people who are interested in the bill that is up to be considered, I am sure will want to do justice. That shall be my only purpose.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. D'EWART. Mr. Chairman, we have before us a measure of great importance to the producers of certain minerals, wool, mustard, and other commodities in my State, who have been seriously hurt by the reciprocal trade program as presently administered. We recognize the need of trade with foreign countries and want to encourage this trade when it is conducted on a plane of fair competition.

Unfortunately, such has not always been the case. In fact, through quotas, limitations, subsidies, and currency manipulation, trade with foreign coun-

tries is oftentimes anything but fair, resulting in great harm to domestic producers. Let me illustrate what I mean by using wool as an example: We have subsidized wool coming into the United States and breaking the domestic price from both Argentina and Uruguay. In Argentina the exchange rate was 5 pesos for an American dollar. Under controlled currency and manipulation, 7½ pesos was allowed for each American dollar if used in the purchase of Argentine wool and wool tops. Wool tops is raw wool that has been sorted, scoured, and washed, carded, and then combed, ready for spinning into yarn. In Uruguay, where the peso on the official rate was 1.519 per American dollar, the rate was set at 2.35 pesos for an American dollar if used in the purchase of Uruguayan wool tops.

Since 1949 wool tops imports into the United States have climbed from 1.1 percent of domestic production to 11.8 percent of domestic production. Uruguay's exports of wool tops to the United States in 1952 were 5,647 percent greater than they were in 1949 and total wool top importations into the United States in 1952 were 1,027 percent greater than in 1949. Because of the subsidy, Uruguayan wool tops, even after the payment of the present duty, have undersold United States produced tops by as much as 30 cents per pound. The current differential is about 20 cents per pound.

The result was that American producers, through manipulation of the currency, lost their market to foreign subsidized imports, and American workers, who in 1949 prepared 99 percent of the tops, lost 12 percent of their production to cheap foreign labor competition.

Briefly, I would like to tell you about what happened to mustard seed production in my State. In 1941 there were 124,000 acres of mustard seed harvested, with a production of 55,180,000 pounds. In 1949, the acreage was 17,700 and 8,700,000 pounds were produced. Up until 1929 the tariff was 2 cents per pound on mustard seed. It is now seven-eighths of a cent per pound, in an agreement with two principal exporting countries to the United States. Under the escape clause and peril point and under other provisions of law, protection could have been given United States producers. Protection was not given by the previous administration.

The proposed extension under consideration for 1 year will add another member to the Tariff Commission and broaden the Commission's powers. It will extend the program for 1 year and set up a commission to study and report to the Congress, at which time we can appraise the effects of the reciprocal trade program upon trade and determine whether the Commission, as presently constituted, will give protection to United States producers who have been harmed in the past.

Under these conditions I am going to support the President's request for an extension.

Mr. DINGELL. Mr. Chairman, it seems to me that the proposal in the bill to expand the Tariff Commission to seven members can be put in its true

light by asking one very simple question: Why is it necessary?

Have the Republican sponsors of this proposal forgotten that they have a Republican President in the White House? Have they forgotten that under the present law the President has the final say on the action to be taken based on the findings of the Tariff Commission?

Do not the Republican sponsors have faith in President Eisenhower? Or are they afraid that he might be just a little too liberal in his foreign trade decisions to suit the high tariff wing of the Republican Party?

Mr. Chairman, I am a Democrat; and I think most all Democrats have more faith and confidence in President Eisenhower's judgment on foreign-trade policy than the leaders of the Republican Party. Those of us who have been in the House for many years might so some of our colleagues on the opposite side of the aisle a great favor by offering them a word of caution. If you do not support your President, you will have an awful lot of explaining to do to the people back home who elected him.

I cannot get away from the fact that the attitude of the Republican leadership on changing the bipartisan Tariff Commission to a strictly partisan group reflects some very odd thinking by this great political party. Apparently, if domestic industry cannot get relief from foreign competition by honest means, they will have to do it dishonestly through a "packed" Tariff Commission. Apparently, the Republican sponsors believe "if we can't get it by hook, we will get it by crook."

I might point out, Mr. Chairman, that the original bill on which hearings were held by the Committee on Ways and Means apparently turned out to be too embarrassing even for its supporters to advance with sincerity. It lacked provision only for electronic equipment for discovering a domestic injury and for speedily processing it into a restriction of an import. It provided for practically everything except electronic eyes that could hunt out pinpricks to industries even when they were unaware of being hurt; amplifying equipment that could step up a mild "ouch" to a series of sustained thunderclaps; and teletype equipment for rushing the Tariff Commission's "orders" to the President for proclaiming restrictions of imports.

Getting back to the bill under consideration, I wonder if the Republican sponsors thought of the consequences of changing the Tariff Commission to a political organization? Under this Republican plan a man who is not a Republican is virtually guaranteed an unfair hearing before the Tariff Commission. This is hardly a proper means of giving fair and adequate protection to American industry.

And most important of all: This is hardly a proper way for any administration, regardless of party, to conduct our foreign economic policy. President Eisenhower, in his State of the Union message to Congress, stated that he was "sincerely" interested in having a bipartisan foreign policy.

If President Eisenhower is sincere in this thought, then the leaders of his party are doing him a great disservice by destroying the character of the key bipartisan agency in the Government which traditionally has been free from narrow partisan politics.

Mr. Chairman, this attempt means no more and no less than the fact that the Smoot-Hawley high-tariff boys are in control and at it again. They have been defeated in their attempts to restore what they consider the good old days of the protectionist period in the open, and now they are trying to sneak in the back door when we are not looking, by politicizing the Tariff Commission.

We will stop them just as cold here as we have stopped them in their direct assaults on the trade-agreements program.

It amazes me that any group of responsible men can today be so shortsighted and forgetful as are the high-tariff boys of the plunder bund. They would create major unemployment and invite a depression by cutting off our imports altogether if they could do so in order to gain personally at the expense of the people. Just pure, simple mathematics would refute their case in its entirety. Any schoolchild knows that you cannot sell where you do not buy. Trade is not a one-sided proposition; it takes two to make a bargain. You cannot send ships to foreign ports laden with American products and expect them to return in ballast. It just cannot be done, as we learned under the Republican Smoot-Hawley tariff law, which brought on the greatest depression in history.

A return to the depression-ridden Smoot-Hawley era can only be sought by the most selfish, self-interested groups. They are a very distinct but vicious minority. Just checking the hearings before the Committee on Ways and Means proves this.

I can no better elucidate on the fact that the protectionists would defeat their own purpose than by quoting a letter, most eloquently written, which I received from Mr. John S. Coleman, an outstanding industrialist and president of the Detroit Board of Commerce, under date of May 29, 1953, which reads as follows:

DETROIT BOARD OF COMMERCE,
Detroit, Mich., May 29, 1953.

The Honorable JOHN D. DINGELL,
Representatives Office Building,
Washington, D. C.

DEAR SIR: In recent weeks a large number of representatives of protected industries have appeared before a congressional committee to protest against a reduction of tariff barriers or to advocate the raising of tariff barriers or the imposition of import quotas. Their argument is that only by the maintenance, or, in many cases, the raising, of customs duties can their businesses be protected against injury or destruction. I am writing this letter as president of the Detroit Board of Commerce and as the head of an important Michigan company, in order to point out that the acceptance of their protests may seriously damage some industries in this State.

I do not deny that a reduction in tariff barriers will expose some firms to greater competition, but I am sure you will agree that this in itself is no argument against

lower tariffs. Against an injury to a single business or industry must be weighed the benefits which will at the same time accrue to consumers, to export industries (which employ many more people than the protected industries in question), to the American economy as a whole, and to the free world.

I submit that the number of persons representing protectionist interests, which I understand was very large, who appeared before the committee, by no means reflects either business or public opinion in the community at large. There was a time when the business community was protectionist in viewpoint. That is no longer true. The United States Chamber of Commerce (representing some 1½ million businessmen), the Detroit Board of Commerce, the National Foreign Trade Council, and the United States Council for the International Chamber of Commerce have all declared themselves for freer trade.

A recent survey made by the Council on Foreign Relations of the views of leading citizens in 25 cities showed, in the great majority of cases, including those of businessmen, a solid rejection of the protectionist thesis. I repeat that, despite the higher proportion of protectionist spokesmen as against spokesmen for freer trade appearing before the committee, the opinion of most of the business community is convincingly against higher tariffs.

An argument constantly heard is that tariff reductions will cause unemployment. This may be true; but, on the other hand, if there are not tariff reductions, unemployment will be caused in export industries. The many thousands of people supported by export operations would be affected by the failure to encourage an increase in United States imports and they would be even more seriously affected if tariff barriers were raised or quotas imposed.

We do not have the choice between employment and unemployment. The question is where that unemployment is to strike, in export industries which are more productive, which are paying the highest wages to American workers and which are willing and able to compete with goods from all over the world, or in import industries which contrary to the basic philosophy of American free enterprise are demanding that the Government protect them against competition at the expense of that free choice between products which is the right of the consumer.

During the postwar period, our surplus of exports has been paid for by foreign aid to the extent of approximately \$5 billion a year. With the tapering off of foreign aid, it is clear exports must be reduced to the extent that we do not permit the recipients of aid to earn more dollars in our market. Thus, something must give. Tariffs place a penalty on imports, but in doing so, they also penalize exports. Either we must take more imports or exports will be cut.

The basic question at stake then is: shall our policy be based on the interests of a few industries or on a concept of the national interest? We have heard much about the threat of competition from imports, but we have heard little to date about the right of consumers to buy the goods they prefer; we have heard little about the right of American industry and agriculture to export the goods that they produce; we have heard little about the urgent interest of the United States in strengthening the economies of our allies abroad. The administration has called for the extension of the Trade Agreements Act without crippling amendments. It seems to me that President Eisenhower's recommendation should be accepted. It seems to me that as Americans and as leaders of the free world, this is where both our interests and our obligations lie.

Yours sincerely,

JOHN S. COLEMAN,
President.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, when President Eisenhower asked the Congress on April 7 to extend for 1 year the Reciprocal Trade Agreements Act that expired last Friday, he must have had at least two major purposes in mind. First, he presumably wanted to assure the countries of the free world that his administration had no intention of reverting to the high tariffs and restrictive trade practices which have traditionally been associated with Republican administrations. Secondly, he wanted to use the 1-year extension period, not to negotiate new agreements—he specifically disavowed any such intention—but to allow time for a special commission to make a thorough reexamination of our whole foreign economic policy. That commission's report could then be used by the next session of Congress to make whatever changes in our foreign trade policy seemed appropriate.

Failure to extend the Trade Agreements Act which just expired denies the President authority to negotiate new trade agreements; such failure does not terminate, or in any way alter, any existing trade agreement to which the United States is a party. The practical effect of a 1-year extension of the Trade Agreements Act which just expired would be to reassure the free world that until the United States formulates a new trade policy it will take no steps either to narrow or to extend its restrictions on imports.

But shortly before the President formally declared his wishes and intentions, the high protectionist group had already drafted H. R. 4294, a bill introduced on March 30, 1953, by my esteemed colleague on the Ways and Means Committee, Mr. SIMPSON of Pennsylvania. His bill proposed a streamlined mechanism custom-designed to scuttle virtually all of the accomplishments so laboriously achieved during the past two decades under the trade agreements legislation. Among the more brazen and least subtle features of the bill were: one which would convert the Tariff Commission from a respected, nonpartisan, fact-finding agency to a "packed" partisan body; and another which would require the President to give effect to all "escape-clause" recommendations for restricting imports which this "packed" commission would formulate. The criteria of "injury" to domestic industry which were contained in that bill were such that the Tariff Commission would virtually be compelled to find "injury" in almost every instance when there was a complaint of increased competition from imports.

The original Simpson bill (H. R. 4294) proved to be too much for any but the most ardent protectionists to swallow in its entirety. The bill accordingly was fashioned into two parts: H. R. 5495, which we are here considering; and H. R. 5496, which contains those provisions of the original Simpson bill that are not embodied in the bill before us.

The Simpson bill which we are here considering actually contains only 1 ob-

jectionable provision, namely, that for packing the Tariff Commission by increasing its membership from 6 to 7 commissioners, "not more than 4 of 'whom' shall be members of the same political party." This same provision appeared in the original Simpson bill, but there in company with a provision that made it mandatory for the President to carry out all Tariff Commission recommendations for restricting imports in escape-clause cases. But this bill leaves with the President complete discretion in deciding whether to carry out such recommendations. What useful purpose then would now be served by having a majority of Republican Commissioners on the Tariff Commission? Some may feel that the President would be less inclined to disregard Tariff Commission recommendations if they were made by at least four Republicans. There is no evidence, however, that President Eisenhower would hesitate to reject Tariff Commission recommendations even if they were made by unanimous decision. Whereas President Truman never failed to carry out an escape-clause recommendation by the Tariff Commission which was unanimously arrived at, President Eisenhower has elected not to carry out the only two Tariff Commission escape-clause recommendations which have thus far come to his attention. One of these applied to briar pipes and the other to silk scarves, and in both instances the recommendations were by unanimous decision of the Tariff Commission.

Granted that packing the Tariff Commission would not achieve a major objective of the sponsors of H. R. 5495, would any harm likely result from such action? Yes, indeed—a great deal of harm.

Packing the Tariff Commission would be tantamount to telling the free world that while we feel it necessary to devote a year's study to learn what kind of trade policy best suits our enlightened self-interest, we can now clearly anticipate one certain result of that study, namely, the need to have all complaints of injurious competition from imports examined—not by an objective, non-partisan Tariff Commission as at present—but by a partisan political body. Would the free world interpret such legislation as signifying our proclaimed intention of maintaining the status quo in our foreign-trade policy for the next year? Of course not. The free world would quite properly interpret the action as signifying that while the United States will not reduce any restrictions on imports during the next year, a politically dominated Tariff Commission will recommend to the President restrictions on virtually all imports, the limitation or prohibition of which would redound to the advantage of special interests but not necessarily to the benefit of consumers or the country at large. The free world would regard passage of H. R. 5495 as giving the groups in the United States that have always opposed a liberal trade policy an opportunity to destroy in 1 year all that the trade agreements program has accomplished since 1934.

But that is not the only damage which passage of H. R. 5495 would cause.

It is probable that a packed Tariff Commission would find it more comfortable to work with a staff that was either preconditioned or readily adaptive to viewing problems and prescribing remedies which were in good taste politically, irrespective of whether they were wholly warranted by the facts. Once the Tariff Commission staff ceased to be wholly objective in its investigations, the Tariff Commission's usefulness to the Congress would be at an end, no matter which political party was in power. If the Tariff Commission were to lose its present good reputation, together with its best and most experienced staff, it could not readily be reestablished.

This is not the first time that a proposal has been made to pack the Tariff Commission, but every past effort to do so failed. Ever since the Congress created the Tariff Commission in 1916, it has maintained the number of Commissionerships at 6, with not more than 3 from the same political party. Further, the Congress has always carefully avoided referring to the Tariff Commission as a partisan agency.

The drafters of the present plan to pack the Tariff Commission either never contemplated the possibility that the American people would again elect a Democratic President or they assumed that if a Democratic administration were to come into power again, it could repack the Tariff Commission to assure a majority control. Because presidential terms commence at the beginning of the calendar year and last for 4 years, and terms of Tariff Commissioners begin midyear and would last for 7 years under H. R. 5495, succeeding political administrations would not often find that they had majority membership on the Tariff Commission at the beginning of presidential terms. In 1957, for example, a Democratic President would find four Republican Tariff Commissioners in office; and that Republican majority would, on the basis of H. R. 5495, continue in office for an additional 1½ years, because the first Commissioner's term to expire under the next presidential term would be that of a Democrat.

In such circumstances, would the new President be expected to work with a Republican-dominated Tariff Commission for 1½ years; would he be expected to ask for resignations from one or more Republican members; or would he be expected to repack the Commission, possibly raising the number of Commissioners to 9?

At the present time when the Eisenhower administration claims to be making every effort to reduce the cost of Government and to increase its efficiency, what purpose is there to adding to the expense of operating the Tariff Commission? An additional Tariff Commissioner and his staff would also require office space which is both costly and scarce. Further, would increasing the number of Commissioners operate to increase the speed with which the Commission would process escape clause complaints and perform its other duties? Can 7 men reach decisions more quickly than 6?

The sponsors of the packing plan have intimated that a 7-man Commission could in fact reach decisions more quickly than a 6-man Commission, because evenly divided decisions would be avoided. But how many evenly divided escape clause decisions has the Tariff Commission thus far rendered? Exactly none. Of the 29 escape clause investigations instituted by the Tariff Commission to this date, 22 have been completed. The Commission recommended restrictive action in 8 cases, but found that there was no injury in 14 cases. Six of the 8 recommendations to the President were by unanimous decision of the Commission and 2, by a majority of 4 to 2. Every finding of no injury was by either unanimous decision or by a majority vote. To date, the Tariff Commission has not had a single evenly divided vote in which an escape clause action was at issue.

If the sponsors of the packing plan merely wanted to avoid the possibility of evenly divided Tariff Commission decisions, why did they not propose that the President be authorized to act on the recommendations of either of the evenly divided groups?

In conclusion, I urge that the provision to "pack" the Tariff Commission be deleted from H. R. 5495. To include it would be a signal to the free world that we will speedily retrace our steps in the direction of the Smoot-Hawley Tariff Act while we are theorizing about the most suitable foreign trade policy to pursue commencing next year. To include it would also result in permanently damaging the Tariff Commission, inviting future "repackings" of the Commission, lowering its prestige and usefulness, reducing its efficiency, and increasing its cost of operation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman made the statement that the groups opposed to reciprocal trade would destroy in 1 year all that has been built up since 1934. I would like the record to show that the groups which are waging this fight are not interested in destroying the basic idea of reciprocal trade. We are interested in equal justice under law. We would like to have the same protection and the same privileges that have been accorded to other groups that have been enjoying the benefits of reciprocal trade. We just simply ask equal treatment. The gentleman from Arkansas is well aware that equality of treatment does not exist today.

Mr. MILLS. I understand the gentleman's position. The gentleman would not, I presume, desire to go back to the old system of Congress writing tariffs. I do not think he would. I think what the gentleman wants is an administration of the program in the light of the needs which exist in the area which he represents. I have agreed with the gentleman and contended with others that in the case of those industries which involve a great amount of manual labor and wherein labor costs are a major item, great caution must be exercised in

lowering the protection which exists for those industries. But weighed against this consideration must be our overall national long-range economic welfare and security as well as our international relations and the economic welfare of friendly free nations. I am certain that the extension of the President's authority to enter trade agreements will be to the benefit of the majority of the American people and redound to the benefit of our country as well as the free nations of the world.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I had sincerely hoped that the Committee on Ways and Means would have, in accordance with the expressed views of the President and those of most of our leading economists and industrialists, reported a simple bill to extend for another year the Reciprocal Trade Agreements Act without change or amendment. While the bill now before us does extend this great program for another year, it contains, however, a provision to increase membership of the Federal Tariff Commission from the 6 members as now constituted to 7, providing that no more than 4 shall be of the same political faith. In other words this subtle amendment changes the Tariff Commission from a nonpartisan advisory board of experts to one of a partisan or political nature. It is my contention that this increase in the membership of the Tariff Commission will weaken its effectiveness and the high respect and regard in which it is held by American businessmen.

The President did not ask for this change. I do not know of any considerable element of our business or industry who do ask it. I sincerely trust that this House will strike it from this bill and by its vote pass a simple reenactment of the Reciprocal Trade Agreements Act as it now stands on our statute books.

It is my belief that this is the most important legislation that will come before this body during this session. The renewal of the Trade Agreements Act, in my humble opinion, is as important and vital in our efforts to promote goodwill and peace in this troubled world as any other program we may be called upon to consider, and furthermore, it is a most vital factor in our domestic economy. This is not a question of politics. It makes no difference whether you are a "high tariff" or a "low tariff" or a "free trade" man. There are far more questions involved in this bill than simply the protection of our domestic industry. Our domestic industry will suffer no more under the Reciprocal Trade Agreements program than under the Smoot-Hawley tariff. In fact our automobile industry and many others may be seriously injured by a return to high tariffs.

To have a full measure of prosperity in this country we must dispose of our surpluses of manufactured goods and agricultural products. For many years in our past history the United States enjoyed almost a monopoly in the production of raw cotton. The rest of the

world bought cotton from us because there was nowhere else for them to get it. Until recent years the same thing was true of manufactured automobiles and motor vehicles. The world bought these products from us by sending us their gold regardless of trade barriers. They do not now have the gold to send us. Of the known supply of gold, to wit \$36 billion, more than 60 percent of it is now in America, this country having at Fort Knox and elsewhere a total of \$22,563,000,000.

Foreign countries have been buying our surpluses with money which we have been giving them in the form of Federal grants and aids. It is obvious that we cannot continue these huge grants. If they are discontinued, the only way for us to dispose of our surpluses is by trading with the world. The Reciprocal Trade Agreements Act offers the best method of increasing our exports without injuring our domestic economy.

I would like to trace for a moment the history of this program and the underlying reasons for its first adoption.

At the beginning of the Wilson administration in 1913, there was great concern over the steady decline for a number of years in our foreign trade; there were great surpluses of agricultural products, wheat, corn, rice, tobacco, and especially cotton, which we had been unable to export. Accordingly, President Wilson called a special session of Congress to meet for the purpose of studying the causes for the decline in our world trade and to study the tariff. On October 3, 1913, Congress passed the Underwood tariff law. It was a low tariff and it made considerable additions to the free list. In many cases it substituted ad valorem for specific rates in addition to reducing rates generally.

Among the articles placed on the free list were: Raw wool, iron, agricultural implements, raw sugar, coal, lumber, many agricultural products, including live cattle, meat, eggs, milk, cream, wheat, flour, corn, flax, and hemp and numerous manufactures, including shoes, wood pulp, and certain types of paper. This act was in operation about 9 months when World War I broke out in August 1914. Its effect on this country's foreign trade, therefore, may not be adequately judged by trade statistics, but we did experience almost immediately an upsurge in world trade.

In 1916 Congress passed an act creating the Tariff Commission, to be composed of 6 members whose duty was to study tariff rates and their effect upon world trade as well as upon our domestic industry. This Commission was to be nonpartisan, appointed because of qualifications as experts on the subject matters they were to deal with. The Commission had no authority except to advise the President and Congress about tariff matters.

The Republicans, following their election victory of 1920, immediately raised tariff duties in the so-called emergency tariff of 1921. Under this act duties on a number of agricultural products were increased and antidumping measures were imposed. A qualified embargo was placed upon dyes and certain other

chemicals. This was essentially a stop-gap tariff pending the enactment of a comprehensive revision of the entire tariff structure.

In 1922 the Fordney-McCumber Tariff Act was passed, which greatly increased rates. There was considerable fear of excessive imports following the cessation of World War I hostilities. The chemical and mineral industries were particularly insistent upon higher duties, largely because of their great expansion following the shutting off of foreign sources of supply during the war. On the agricultural side considerable competition was encountered as a result of overproduction in domestic areas under the stimulus of wartime conditions.

This act introduced the principle of the so-called flexible tariff, the provision authorizing the President to increase or decrease existing rates of duty by 50 percent after investigation by the United States Tariff Commission for the purpose of equalizing foreign and domestic costs of production.

Prior to the election of 1928 there was considerable discontent in certain agricultural areas because of their failure to share in the unusual prosperity that followed the depression of 1921. In the election campaign Mr. Hoover had promised tariff adjustment to help agriculture. The election of 1928 was interpreted by the Republican Party as a mandate for tariff revision.

In January 1929 hearings were begun on what at the time was expected to be a limited adjustment in behalf of the farmers and in order to correct a few other inequalities. As the hearings progressed, however, it became clear that the revision would be much more general than was at first intended. Indeed, the Tariff Act of 1930, known as the Smoot-Hawley Tariff Act, became a general upward revision, raising both agricultural and industrial rates to the highest level in American tariff history. The hearings and the congressional debates on it were long and arduous, and Members of Congress, especially the late Senator Vandenberg, later said that they would never again want to have to go through the experience of a general congressional tariff revision.

The effect of the Smoot-Hawley Tariff Act upon our foreign trade was immediate and disastrous. In 2 years our trade declined practically 50 percent. This was because other countries retaliated against our high rates and such formidable trade barriers were thereby elected as to paralyze, in many instances, some of our most profitable world trade.

The newly elected Democratic administration in 1933 immediately began work to remedy this situation. The Reciprocal Trade Agreements Act, sponsored by former Secretary of State Cordell Hull, considered by many to be our greatest expert on tariff matters, became effective in June 1934, and immediately produced an increase in our world trade. It has been renewed every few years since then but in recent years has had incorporated in it a number of protective devices, including the escape-clause provision and the so-called peril-point amendment. Until 1947, however, the

act operated in its original form and under it numerous trade agreements were consummated. This original act empowered the President to enter into executive agreements with foreign countries for the reciprocal reduction of trade barriers, and on the part of the United States he is authorized to lower tariffs by as much as 50 percent.

Twenty-nine trade agreements were concluded between 1934 and 1947. These agreements involved the reduction, or binding, by the United States of rates of duty on products accounting for almost three-fourths of this country's dutiable imports.

In 1945 the Trade Agreements Renewal Act extended the President's power, making it possible for him to lower duties to 50 percent of the rates in effect in 1945 instead of those prevailing in 1934, as in the original act.

Since 1947 rate reductions have taken multilateral form in that they have been negotiated with more than one country, at a time under the agreement concluded at Geneva in 1947 when 23 countries, including the United States, negotiated the General Agreement on Tariffs and Trade—the so-called GATT. Under this agreement the United States entered simultaneously into trade agreement negotiations with each of the other 22 countries and they, in turn, negotiated with each other. Subsequent additions were made in conferences at Annecy, France, and Torquay, England, so that the general agreement now has 34 contracting parties accounting for about 80 percent of total world trade.

Thirteen of the 27 countries with which the United States had bilateral trade agreements in effect in 1947 have since acceded to the general agreement, and bilateral agreements between them and the United States have either been terminated or suspended. Therefore, most of the results of trade-agreement negotiations consummated under the original Trade Agreements Act are now incorporated in the General Agreement on Tariffs and Trade.

The Trade Agreements Extension Act of 1951 made it more difficult for the President to negotiate reductions in tariff duties via trade agreements, by virtue of the escape clause and the peril-point amendments. In fact, no important trade-agreement activity has taken place under either the act as modified by the 80th Congress, which was immediately undone by the 81st Congress, or under the Extension Act of 1951. Some of the proponents of the trade-agreements program, in fact, maintain that it is not likely that any action could be taken under the Trade Agreements Act in its present modified form. These advocates of reciprocal tariff reduction maintain that the Trade Agreements Act in its present form, is more important as a piece of protectionist legislation, principally because of the escape clause, than as trade-liberalizing legislation.

The 34 contracting parties to the General Agreement on Tariffs and Trade are Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, West Germany, Finland, France, Greece,

Haiti, India, Indonesia, Italy, Liberia, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Southern Rhodesia, Sweden, Turkey, Union of South Africa, United Kingdom, United States.

The 14 countries with which the United States has had bilateral trade agreements, but which are not parties to GATT, are Argentina, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Iceland, Iran, Mexico, Paraguay, Switzerland, Uruguay, Venezuela.

The Czechoslovakian and Mexican trade agreements have been terminated.

The following tables of our world-trade history reveal the effects of our various tariff policies:

Foreign commerce
NO. 1008. EXPORTS AND IMPORTS OF MERCHANDISE, WITH TRADE BALANCES
[In thousands of dollars]

Year	Exports	Imports	Excess of exports (+) or imports (-)
1700.....	20, 205	23, 000	-2, 795
1800.....	70, 972	91, 253	-20, 281
1810.....	66, 758	85, 400	-18, 642
1820.....	69, 692	74, 450	-4, 758
1830.....	71, 671	62, 721	+8, 950
1840.....	123, 669	98, 259	+25, 410
1850.....	144, 376	173, 510	-29, 134
1860.....	333, 576	353, 616	-20, 040
1870.....	392, 772	435, 958	-43, 186
1880.....	835, 639	667, 955	+167, 684
1890.....	857, 829	789, 310	+68, 519
1900.....	1, 394, 483	849, 941	+544, 542
1910.....	1, 744, 985	1, 556, 947	+188, 038
1911.....	2, 049, 320	1, 527, 226	+522, 094
1912.....	2, 204, 322	1, 653, 265	+551, 057
1913.....	2, 465, 884	1, 813, 008	+652, 876
1914.....	2, 364, 579	1, 893, 926	+470, 653
1915.....	2, 708, 589	1, 674, 170	+1, 034, 419
1915 (6 months).....	1, 852, 863	912, 787	+940, 076
1916.....	5, 482, 641	2, 391, 635	+3, 091, 006
1917.....	6, 233, 513	2, 952, 468	+3, 281, 045
1918.....	6, 149, 088	3, 031, 213	+3, 117, 875
1919.....	7, 920, 426	3, 904, 365	+4, 016, 061
1920.....	8, 228, 016	5, 278, 481	+2, 949, 535
1921.....	4, 485, 031	2, 509, 148	+1, 975, 883
1922.....	3, 831, 777	3, 112, 747	+719, 030
1923.....	4, 167, 493	3, 792, 066	+375, 427
1924.....	4, 590, 984	3, 609, 963	+981, 021
1925.....	4, 909, 848	4, 226, 589	+683, 258
1926.....	4, 808, 660	4, 430, 888	+377, 772
1927.....	4, 865, 375	4, 184, 742	+680, 633
1928.....	5, 128, 356	4, 091, 444	+1, 036, 912
1929.....	5, 240, 995	4, 399, 361	+841, 634
1930.....	3, 843, 181	3, 060, 908	+782, 273
1931.....	2, 424, 280	2, 090, 635	+333, 645
1932.....	1, 611, 016	1, 322, 774	+288, 242
1933.....	1, 674, 994	1, 449, 559	+225, 435
1934.....	2, 132, 800	1, 655, 055	+477, 745
1935.....	2, 282, 874	2, 047, 485	+235, 389
1936.....	2, 455, 978	2, 422, 592	+33, 386
1937.....	3, 349, 167	3, 083, 668	+265, 499
1938.....	3, 094, 440	1, 960, 428	+1, 134, 012
1939.....	3, 177, 176	2, 318, 081	+859, 095
1940.....	4, 021, 146	2, 625, 379	+1, 395, 767
1941.....	4, 021, 146	3, 345, 005	+676, 141
1942.....	8, 078, 988	2, 755, 893	+5, 323, 095
1943.....	12, 964, 906	3, 381, 498	+9, 583, 408
1944.....	14, 258, 702	3, 928, 866	+10, 329, 837
1945.....	9, 805, 625	4, 159, 138	+5, 646, 487
1946.....	9, 738, 321	4, 942, 054	+4, 796, 267
1947.....	14, 429, 747	5, 756, 333	+8, 673, 413
1948.....	12, 653, 058	7, 123, 877	+5, 529, 181
1949.....	12, 051, 108	6, 622, 390	+5, 428, 718
1950.....	10, 275, 102	8, 852, 161	+1, 422, 941
1951.....	15, 020, 409	10, 961, 550	+4, 058, 858

The finest example of what can be done by two countries really working together for reciprocal trade is the case of Venezuela. Trade with Venezuela has increased markedly in recent years. Back in 1911-15 United States exports to Venezuela averaged less than \$6 million. In the 5-year period 1921-25 total trade between the two countries averaged \$30 million, divided about equally between exports and imports. In 1938, just prior to the negotiation of the orig-

inal United States-Venezuelan Trade Agreement, trade between the two countries totaled \$72 million with exports to Venezuela amounting to \$52 million and imports from that country amounting to \$20 million.

In 1951, trade between the two countries had expanded to the amazing total of \$776 million. Exports to Venezuela in that year were valued at nearly \$454 million. In 1950 the total trade was \$711 million with exports amounting to \$389 million and imports to almost \$322 million.

United States imports from Venezuela are smaller than exports to that country and consist of a relatively short list of commodities. Petroleum and its derivatives account for over 90 percent of the trade. Other imports consist largely of iron ore, coffee, and cacao.

United States exports to Venezuela cover a wide list of commodities. Among the most important exports are foodstuffs, industrial machinery, electrical equipment, office appliances, textiles, automobiles and tractors, iron and steel products, including pipe, tanks, sheets and shapes, glass, paper, pharmaceuticals and medicinals, and copper wire.

In the new trade agreement with Venezuela, signed at Caracas on August 28, 1952, important concessions were obtained on all of these United States exports, especially the concessions obtained in behalf of automotive vehicles and parts and trailers and other vehicles.

American economy has prospered greatly under the reciprocal trade agreements program. If we abandon it at this time, thereby nullifying the splendid work of patriotic and able American experts in world trade, and build up tariff walls whereby our cotton, wheat, corn, and other agricultural products and our automobile industry may be unable to dispose of its surplus products, we are surely bringing economic disaster.

We cannot increase our trade with the world except on a reciprocal basis. For every passenger automobile exported from the United States, 62.4 pounds of lint cotton and 2 pounds of linters are sold. Each truck exported carries 86 pounds of lint cotton and 4 pounds of linters. Each separate tire exported carries an average of more than 5 pounds of lint cotton. Besides the cotton—manufactured cotton, not raw cotton—of course, there is the steel and all other things. During 1 year more than 50,000 bales of high-grade cotton and 1,000 bales of linters found a market in our foreign sales of automobiles, trucks, and tires, and two-thirds of our automotive exports are to countries with whom we have trade agreements, all of whom gave us concessions on automobiles, trucks, parts, and accessories.

Mr. Chairman, I hope that no political issue is made of this subject. Let us not do grave damage to our country's prestige and world influence at this time.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. Boggs].

Mr. BOGGS. Mr. Chairman, I listened with great interest to the remarks made a few moments ago by my friend, the gentleman from Ohio [Mr. JENKINS]. I gathered that Mr. JENKINS was not pleased with the legislation before the committee nor was he pleased with the position taken by the administration.

My colleague from Ohio [Mr. JENKINS] pointed out to the committee that the hearings had been held on the so-called Simpson bill; that the Simpson bill had been drafted by agreement, and that after the hearings had been held on that bill, because of pressures, of which, of course, I am unaware, that bill had been shelved for the time being.

It is not difficult for me to understand why there should be some confusion among my friends sitting to the left. As a matter of fact, anyone who has followed these proceedings would almost automatically be confused. Let me review for a moment just what has taken place so far this year on the trade-agreements program.

The gentleman from Pennsylvania [Mr. SIMPSON] introduced a bill, a very comprehensive bill, but certainly anything but a trade-agreements bill. I believe it is the consensus of opinion that it is about as close to a return to the Smoot-Hawley tariff policies as you can get without reenacting the Smoot-Hawley Tariff Act. About that time the President of the United States sent a message to the Congress saying that he wanted the Trade Agreements Act extended, as is, for a year. Then a few days later he sent another message down saying that he wanted to establish a commission.

Of course, we have a lot of commissions now. This was another one. About that time we were holding hearings on the trade-agreements bill of Mr. SIMPSON's and I understand that the original Commission message was referred to the Foreign Affairs Committee, which was a bypassing of the Ways and Means Committee.

At that time the administration started sending down a group of witnesses. Secretary Dulles came down and apparently did not impress my good friend, the gentleman from Ohio [Mr. JENKINS], very much. Secretary Weeks came down. Secretary Humphrey came down. Secretary McKay came down.

Their testimony was very interesting. For one thing, it was impossible to find out whether or not any of these gentlemen were opposed to Mr. SIMPSON's original bill.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. From reading the testimony of Secretary Weeks and Secretary McKay, I would say that they compounded confusion, did they not?

Mr. BOGGS. I would not say that that was an exaggeration. In keeping with what the gentleman had to say, I remember an examination of Mr. McKay before the committee. I believe it was the gentleman from Pennsylvania [Mr. EBERHARTER] who referred to a statement in the Secretary's remarks in

which he commented on this seven-man Commission that we are debating right now. The essence of his statement, if I remember it correctly, was that by creating this seven-man Commission we removed all possible objection to the extension of the Trade Agreements Act. The gentleman from Pennsylvania [Mr. EBERHARTER] asked him what he meant by that. The Secretary took a look at it and said that he did not believe he had seen it before, although he had just gotten through reading it. He disclaimed authorship right there on the spot.

As a matter of fact, Secretary Dulles—I presume that he was being facetious; I am sure he must have been—but in my examination of the Secretary he finally pled his constitutional privilege under the fifth amendment.

Where are we today? Let us examine the situation for a moment. I can genuinely understand why it is difficult for Mr. REED, Mr. JENKINS, Mr. SIMPSON, and all these other fine gentlemen, whose friendship I value—they are some of the closest friends I have in this body—I can understand why it is difficult for them to sit here and argue for an extension of the trade agreements program. After all, they have been opposed to it since 1934. They have led the opposition to it in one Congress after another. They have offered amendments to cripple the program; the peril-point amendments, the escape clause amendments. They have offered the motion to recommit in past years. I presume it is a bit difficult to ask them to sit here today and say, "Oh, we have been wrong for 20 years; you men over here have been right. We are now asking you to vote to extend the Trade Agreements Act."

So I cannot find any fault with my good friends in taking the position that they take, and I cannot blame them for being a bit confused. I suspect that somewhere down the line they have some assurances. Let us look at it for a moment.

To begin with, this committee never met to consider the Trade Agreements Act program in executive session until you started hearing about this seven-man Tariff Commission. Then about the time that you started hearing about the seven-man Tariff Commission another thing took place: the gentleman from Pennsylvania [Mr. SIMPSON], my good friend, divided his bill; he came up with one part of it which said we will extend trade agreements for 1 year, we will create a packed Tariff Commission, we will change the whole concept of the Tariff Commission, we will pack the Tariff Commission against the Republican President in the White House—that is what it really says—and we will create another study commission. Now, that is what is before us in the first part of this bill. But at the same time my good friend, the gentleman from Pennsylvania [Mr. SIMPSON], introduced another bill which is given another number, which has all of the restrictive provisions in the original Simpson bill worked out in collaboration with the gentleman from Ohio [Mr. JENKINS], as he pointed out here a moment ago. In

addition to that tomorrow morning at 9 o'clock the Committee on Ways and Means is going to meet in executive session to consider the restrictive Simpson bill.

I cannot believe that all of this is coincidental; somehow or other I am inclined to believe that if that committee should succeed in reporting out the new Simpson bill which imposes all sorts of import restrictions, which imposes all sort of quotas and limitations and almost completely destroys the power of the President of the United States in the peril-point and escape-clause provisions—I cannot help but believe that should the Committee on Ways and Means report that bill, that in a couple of weeks you will have a rule on that bill and you will have to choose then and determine whether or not you adopt those provisions.

Now, it may not happen, but it could very well happen, and I cannot believe either that this seven-man Tariff Commission is just a vain and futile thing, that it is just done for no purpose at all. I certainly cannot believe that it is done simply to give somebody else a job; there seem to be a lot of jobs around. I do not think they have to go thus far to create another job for somebody; no, sir. The purpose of that seven-man Tariff Commission is to accomplish at least a minimum amount of destruction of the trade-agreements program.

Now, you might ask how in the world could that have any effect. As the gentleman from Massachusetts asked a moment ago, why complain about it? You have a 7-man Federal Communications Commission, a 3-man some other commission, and a 9-man commission of some other kind. Well, why complain about it? Because the Tariff Commission heretofore has not been a quasi-judicial body, and I think that the statement of the gentleman from Massachusetts pretty well determines the road ahead.

The objective here really is to take away from the President of the United States the power to make the decision, and to put the power in a partisan, quasi-judicial body so that that body, not the Congress or the President, will make that decision. I fully understand the chagrin of my Republican colleagues, but I believe the time sooner or later must come, Mr. Chairman, when you are going to have to make up your mind whether or not you are going to follow your President in the White House.

Mr. REED of New York. Mr. Chairman, I yield 9 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

(Mr. SIMPSON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I trust the prognostications made by the gentleman from Louisiana [Mr. Boggs] with respect to what will take place in reference to the second half of this reciprocal trade agreement program are true. I hope that tomorrow morning the Ways and Means Committee does report out the second bill. I hope a rule is granted on it. I hope every Member of this body has an op-

portunity of voting for or against the protection of American industry.

I am sure that under the bill now being considered there is a measure, a small measure it is true, of protection for American business, but, nevertheless, it is there, and the passage of this bill will give some measure of relief to a number of people who appeared before the Tariff Commission for relief under the escape clause or the peril-point provision of existing law.

I listened a bit ago to my very good friend and our colleague from Georgia [Mr. CAMP] who mentioned a neighboring country and told how the exports-imports had increased from perhaps \$20 million a year to \$700-million-plus a year, after the making of some reciprocal trade agreements. The inference was that it was a great advance in our economy to have that situation exist. But the other side of the page is a dark, black one, for in the hills and mountains of West Virginia, Illinois, Ohio, Pennsylvania, and numerous other States there are sitting today idle thousands upon thousands of your neighbors and mine. These are men who ordinarily work in the coal mines but cannot work because of the dumping in this country of residual oil, a waste product, if you please, prepared and produced in Venezuela, shipped in here and paid for by your neighbors and mine who are sitting today on unemployment compensation, the direct result of the unfair competition of the reciprocal trade agreements, which I want to correct.

This bill makes a beginning. The bill tomorrow will do better, if we are successful in getting it before this body.

The issue at the moment has to do with an amendment which will be offered, I believe, by the gentleman from Tennessee [Mr. COOPER] to the bill now before us seeking to remove from the bill the provision that the Tariff Commission hereafter shall consist of 7 rather than 6 individuals and that of the 7 not more than 4 shall be of any 1 political party. There is a reason for that, and a very good reason today just as there was a reason many years ago when the Tariff Commission was limited to 6 with the proviso that not more than 3 shall be of any one political party. Back at the time of the creation of the Tariff Commission the duty imposed upon that Commission was just one. It was that of finding facts, facts having to do with the cost of production of articles made here in America being competed with by articles made abroad. The men of the Tariff Commission and their employees were principally accountants and men capable of examining costs and books, and so forth, dealing with the cost of production and they went all over our country seeking to determine just what those costs were. These costs were unvaried, they were set. But they were facts, they were determined, and having been determined there was no discretion whatever in the powers of the Tariff Commission.

Those facts were presented to the Congress, and the Congress through its committees and by virtue of its own powers interpreted the facts and reached the

conclusions. It was felt at that time, and perhaps rightly, that inasmuch as the figures they were seeking were unvarying and firm, that there should not be any opportunity for political division, and consequently to safeguard that approach it was provided that there should not be more than 3 of 1 political party out of the 6, and if that picture prevailed today I would have no complaint whatever at leaving the Tariff Commission with six members.

But, is that the picture today? It is not. A couple of years ago this Congress passed a proviso to the Reciprocal Trade Agreements Act providing that we should have what has become known as the peril point and the escape clause provision. Those obligations were imposed on the Tariff Commission and the Tariff Commission, at the request of the industry claiming damage or a threat of damage, was required to make a certain survey, not for facts, but for facts upon which a conclusion would be made by themselves and a determination and finding made. That changed the duties of the Tariff Commissioner from a fact finding body to a quasi-judicial body; a group which found facts, it is true, listened to testimony, it is true, but then sat and considered and reconsidered and reached a conclusion or a determination as to whether or not the industry, which might be one within your own congressional district was or was not suffering as a result of too low tariff rates. Thus today the objective of having a 3-3 group, 3 of 1 party against 3 of another party, no longer prevails, for there comes into the picture a question of policy, if you please, one where in the Administration may have an interest, just exactly as there does with respect to the Federal Trade Commission, the Interstate Commerce Commission, and any and every other commission which this Government has seen fit to set up. So, there is no more reason to deny the majority party having, if it chooses, 4 of its party in a 7-man commission with respect to the venture than there is of cutting back the number of Commissioners allowed in any one of the other commissions in our Government today. If one is to be limited to a tie vote under certain circumstances, then the others could, equally failing, be so limited.

Now I plead that there is an element of safety for the American industry which has to appear before the Tariff Commission under the provisions of the escape clause if we make the Tariff Commission 7 rather than 6. In recent years there have been 3 of the majority party and presumably 3 of the other, though vacancies have been allowed to exist, and it is true that in the vast number of cases there are not tie votes. But my point is that if it is continued and if the vacancies are filled at 3 to 3, then there will be tie votes, and your industries, which are forced to appear before a governmental agency and almost on bended knees beg for the protection of their industries, are entitled, I say, to a decision. If it is an adverse decision they may want to fold their tents and creep away; they may want to give up

the manufacturing of glassware, of pottery, of weaving, the production of coal, the manufacture of motorcycles, any one of 1,000 items; they may want to give it up if the decision is against them, but on the other hand in a close case they are entitled to a decision in their favor, and I believe if we increase the size of the Commission to 7 their chances of a favorable decision will be greatly enhanced over what their chances are today.

It is for that reason, because I am for protection, protection of an American industry deemed necessary to the employment of your neighbors and mine, that I ask your opposition to the amendment to be offered later.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. HAYS of Ohio. I want to comment on the gentleman's statement about the Venezuelan oil. Is it not true that every dollar of that increase in trade was a dollar taken out of the pockets of some wage earner in the coal industry?

Mr. SIMPSON of Pennsylvania. That is the point I tried to make. The gentleman has done it quite effectively. I thank the gentleman.

Mr. REED of New York. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. KEAN].

(Mr. KEAN asked and was given permission to revise and extend his remarks.)

Mr. KEAN. Mr. Chairman, America must keep her ports open to foreign trade.

In order to purchase American exports, foreigners must have dollars. Most of these dollars can only be secured by sales in American markets. Otherwise, the American taxpayers must make up the difference, as they have in the past.

The United States has asked friendly nations not to trade in strategic materials with countries behind the Iron Curtain. The free countries, therefore, must be supplied with substitute markets.

Therefore, I believe that this extension of the reciprocal-trade law is for the best interest of the United States. I do agree, however, that there has been just criticism in the past of the administration of the law.

The State Department, which conducted the trade negotiations, seemed not to take into consideration anything but the international policy of the United States, and they certainly did not give sufficient consideration to the position of American industry or American labor, both of which are vitally affected by tariff cuts.

However, the new administration has shown by their actions in the case of the currency manipulation by Uruguay and in other matters that they will consider the interest of the American producers and will carry out the law as it is written.

I believe that the taxpayers of this country do not look with favor on a permanent program by which we will continue to subsidize our exporters through recurring large foreign-aid appropriations in order to give to foreign nations the needed dollars to purchase the goods

which under present conditions they may only purchase in this country.

I also believe that the people of this country do not wish to drive most of the nations abroad into the necessity of very heavy trading with the nations on the other side of the Iron Curtain.

If European and Asiatic nations are forced to enter into such close relations that they look to the Communist nations for the goods necessary for their welfare and to the same nations for markets for their agricultural products and manufactured goods, it will not be too long before they will inevitably look to these same nations for their cultural and political ties.

In the past, Western Germany sold many of its manufactured goods to East Germany, to Poland, to the Ukraine, and to the Balkans in exchange for agricultural products.

In the past the great market for Japanese manufactured goods was China and Manchuria.

We must make it possible for these nations to earn dollars, or they will be either thrown into the arms of the Communist nations, or else our American taxpayers will be forever burdened with demands for heavy foreign-aid appropriations in order that they can meet the dollar gap.

Ever since we became a creditor nation after World War I, we have in some form or other used the taxpayers money to fill this gap.

Continuation of the reciprocal-trade program and the resulting encouragement of purchase of foreign goods is not a cure-all. It cannot fill all the dollar gap. But it will help.

We must try to fill the gap in other ways. We must encourage the investment of American money in equities abroad, not by buying foreign bonds for when the maturity date come on such bonds foreigners would have to find the dollars for repayment and thus the problem would only be postponed. The holders of equity investments, on the other hand, the purchases of stock in corporations which have their headquarters abroad would never require return of the capital they have invested to the United States.

We must always maintain and protect that American industry which is essential to our national defense. We also cannot ruthlessly throw to the wolves those industries which under tariff protection have for long periods of time provided the living for great numbers of American labor.

However, with proper administration, with the assurance that the law will be strictly adhered to, there should be sufficient protection for American industry in the present peril-point and escape-clause provisions.

I am pleased to support this bill.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may have permission to extend his remarks just prior to the remarks of the gentleman from Arkansas [Mr. MILLS].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, I regret that the limitation of time for debate requires that these remarks be placed in the RECORD without being delivered on the floor of the House where they would be subjected to the challenge of debate by these who disagree with them.

Nevertheless, the main points of what I have to say have been well and ably covered by those who spoke on the floor. The gentleman from New Jersey [Mr. KEAN] and the gentleman from Wisconsin [Mr. BYRNES], my colleagues on the Ways and Means Committee, have essentially expressed my viewpoint.

I want to emphasize two points and add another point. First, selfish interest is not a valid argument against advocates of a position. Especially when the selfish interest involves many people in our society. Indeed if the matter did not concern the selfish interest of some segment of our economy it would hardly be worth our while discussing it here in the Congress. In fact those who take the position in favor of "freer" trade can in most instances be accused of having selfish interest. They happen to be exporters or organizations who have capital invested abroad and are interested in importing their products into the domestic market at a profit.

The question before us is what is most beneficial for the greatest number of selfish interests with due regard for the short haul and the long pull. This is what we call enlightened self-interest. I cannot for the life of me see the argument that because the coal industry comes in and points out that it is being damaged by our trade policies that therefore it becomes a special pleader, uninterested in the welfare of our country, devoid of all sense of the realization of the importance of world trade and the need for friends abroad. Indeed, translate the coal industry into lives and happiness of men who are directly involved in this industry and then expand this translation to include the dependence of our national welfare upon the good health of a vital industry like coal and we begin to shift our views a bit about where lies the selfish interests.

Regardless of whether we turn down the plea of the coal industry or the many other industries who plead that they are being damaged by our trade policies certainly our hearts should be moved to sympathy and if we do feel that it is necessary for the overall selfish interests of the country to somewhat sacrifice the interests of this segment of our society at least we can do it with understanding and apologies, not with insults.

Second, I would say to my self-styled liberal friends that the freedoms of mankind are written in procedure. The Tariff Commission has been changed from a mere factfinding commission to a

quasi-judicial commission. Our collective wisdom has for sometime resolved that when we have a tribunal that must make decisions of judgment it is well to have an odd rather than an even number to render the decision of judgment. This is elementary and yet we have the cry of politics when we make a move to apply this matter of well established human knowledge. Indeed, if the argument had been made, the Tariff Commission is still a factfinding body rather than body which must make decisions of judgment, we perhaps could have resolved the debate quickly. I think it is fair presumption to state that this ground of debate was not taken because it was admitted. There seems to be little question that under the present Reciprocal Trade Act the Tariff Commission is required to make decisions of judgment.

Then finally, I wish to point out a matter which has not been touched upon. At the close of the last century we found it advisable to lay down certain procedures which would insure as best we knew how free competition for our domestic enterprise. We passed anti-trust and other laws to prohibit competitive practices which we found similar to strangleholds and finger bending and eye gouging in wrestling, because we felt that our enterprise would flourish better. We find today many of these holds forbidden in domestic competition transported abroad, and regrettably in many instances by American concerns, applied under the guise of being foreign trade and therefore free and unrestrained. Certainly, we should be as much concerned about unfair competition from abroad as we admittedly are concerned about unfair competition from domestic concerns.

The freedoms of mankind are written in procedures. Trade indeed will become freer if we begin to write some intelligent and fair procedures. Certainly the alley roughneck does not like rules. Certainly, the urban slick man likes rules or ethics as he sometimes wants to call them, which give him the advantage. Government's job is to make rules and make them fair. I am unimpressed by those who want no rules, and I am equally unimpressed by those who want special rules. I do not care in what form they wrap their package and how much they appeal to broad national interest. I do not care how often they scare us with Russia and cry we need friends abroad. Our job is to weigh all the selfish interests and come up with a set of fair rules.

Paradoxically, it can be the protectionists who are for the procedures which will bring about more and freer trade and it can be the free traders who would bring about less trade if the procedures they advocated further protected and encouraged the international cartels and trusts. There is much to study and generalities benign or malign do not help keep the head clear for such studying.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEAMER. Mr. Chairman, the Dictionary of Tariff Information, published by the United States Tariff Commission in 1924, gives, beginning on page 724, a résumé of the functions and organization of the Commission. It describes the Commission as "an independent nonpartisan body whose principal function is to ascertain facts upon the basis of which Congress may determine tariff policies, the rates of duty to make the policies effective, and methods of customs administration, and on which the President may base certain administrative acts in relation to these matters."

The key words are "independent" and "nonpartisan." "Nonpartisanship was to be secured by the requirement that not more than three of the Commissioners were to be members of the same political party"—page 725. From its creation in 1916 to date the statutes have provided for a total membership of 6; the terms are now for 6 years, with 1 term expiring each year.

The need for an independent agency to supply objective information and advice on the regulation of our foreign trade is surely as great today as at any time in our history. With the increase in the number and complexity of policy decisions that much be made by the Congress there is less and less time for attention to tariff policy. And with the expansion of Government activities to encompass almost every detail of our daily life the President can personally devote but little time to the question. It becomes pertinent, accordingly, to review the administration of our tariff policy in recent years.

One of the expedients adopted to counter the great depression of the 1930's was the Trade Agreements Act of 1934. Its sponsors declared that by cutting our own tariffs we could bargain for tariff cuts abroad and thereby revive our exports, which would, in turn, stimulate our domestic economy. They requested, and were granted, power to cut any and all of our tariffs by half.

Many of our industries which are dependent on tariff protection for their very existence protested that cuts in their protection might wipe them out and thereby add to the depression. They asked that Congress include in the law some statements of principle, such as comparative costs of production, to give them a fighting chance of survival. But the free traders opposed all such statements of principle as crippling amendments which would prevent any worthwhile negotiations. In lieu thereof they enacted that before concluding an agreement the President must seek information and advice from the Tariff Commission. As stated above, the Commission was supposed to be both independent and nonpartisan. As such it should have been able to restrain, at least to some extent, the free-trade partisanship of the State Department.

Unfortunately, the record belies the suppositions. The Commission did not submit information and advice to the President. It did not function as an independent agency. Rather, it lent its

name and resources for the use of the State Department.

After enactment of the act in 1934, the State Department asked the Tariff Commission to designate someone to serve on the interdepartmental trade agreements organization which became known as the Trade Agreements Committee. The Commission complied with this request and, from there on, one Commissioner, acting as an individual, became the Tariff Commission for trade-agreement purposes. The Commission delegated its authority to one man, *carte blanche*. It neither gave him instructions, nor did it review his actions. Yet the official propaganda continued to emphasize the participation of the Tariff Commission in the program. If you are interested in a detailed review of the procedure, you should read the testimony of the Commission's Chairman before the Senate Finance Committee in April 1947.

It is true that the Commission, as such, did review the factual and statistical information in the digests submitted to the Trade Agreements Committee. But this is staff work. This is a far cry from furnishing advice by an independent Commission composed of equal numbers of Republicans and Democrats. Is it not true that it was not until the Commission made its peril-point reports under the Trade Agreements Extension Act of 1948 that the President ever got any advice from the Tariff Commission to aid him in carrying out the trade-agreements program.

To this date, the Commission does not participate in the work of the Trade Agreements Committee, unless you consider that an individual member is the Commission. The Tariff Commission member of TAC has never been subject to instructions from the Commission, nor to review by it. He is now appointed by the Chairman—under Executive Order 10082, paragraph 1—and need not account to the Commission.

Thus was the will of Congress frustrated; it called for, but was denied, advice from an independent nonpartisan body. The Commission now functions as a body in peril-point and escape-clause reports. If it is to have a function directly in the work of the Trade Agreements Committee, it should be able to control its representative on that committee. Isn't it time for a change?

The Commission has always functioned as a body when reporting to committees of Congress. But its reports in recent years have often been far from satisfactory. Even if we accept the thesis that the Commission should refrain from making policy recommendations to Congress, we should require that its reports be as clear and concise as possible. The tendency seems to have been to make the reports as vague and uninformative as possible, avoiding, whenever possible, a clear analysis of any point that may be controversial.

It often seems as though the Commission was seeking the least common denominator—omitting from its reports on legislation anything that might cause an argument. Reports on bills are

always unanimous and it is impossible to believe that men of diverse tariff philosophies—as Tariff Commissioners should be—could always be in perfect harmony as to what is pertinent to a full, clear, and concise analysis of a proposal to raise or lower the tariff. And many Members of Congress will recall that they have sought, and failed to find, an understanding of tariff problems in reports from the Tariff Commission.

Our tariff has now reached the lowest level in history, averaging less than 6 percent *ad valorem*. Even if we limit the computation to dutiable imports, the average is only 12 percent. Nevertheless, the cry is still raised that our tariff is too high and must be reduced.

We recognized the importance to many of our friends abroad of exports to the United States and we know that a big foreign trade has been beneficial to our own country, especially to our farmers, but many of our industries are at a competitive disadvantage compared to foreign industries, largely due to higher wages, and these industries might be bankrupted unless given tariff protection. If, after a full analysis of the various cases, we decide to deny protection, that will be a matter for Congress to decide. But can we depend on the Tariff Commission for an understandable report on these cases, so that we can make an intelligent judgment?

Recent history raises grave doubts in these premises. It is important that a thorough review be made of the administration of our tariff policy. It is useless for Congress to legislate in favor of moderate tariff protection if every complaint from American industries is to be whitewashed by administrators sympathetic to free trade. We need a revitalized Tariff Commission. We need a reorganization of the Tariff Commission.

Mr. FINO. Mr. Chairman, the foreign trade policy which the United States will pursue in the future is of vital significance and importance not only to the United States but to the economic and political strength of the free world. The United States and its allies can only meet the challenge of increasing Soviet economic and military power if the nations of the free world continue to grow in strength and collective security. An expanding and mutually advantageous trade is essential to that growth.

Under the Reciprocal Trade Agreements Act, the cornerstone of United States trade policy since 1934, the President has the power to reduce tariff duties on United States imports. These reductions have been made in exchange for the reciprocal reduction of trade barriers to United States exports through trade agreements with other countries. This act has signified to the rest of the world the willingness of this country in reducing its own trade barriers in an attempt to achieve more liberal trade policies and an expanding trade throughout the world. While I probably would not go along with some of the more ardent supporters of the trade-agreements program, I feel that conditions today would be a great deal worse had not the United States through the reciprocal trade-agreements program exercised its in-

fluence in bringing about a free flow of trade among the nations of the world.

An abrupt departure from the present United States trade policy through the adoption of a restrictionist attitude toward imports would be disruptive to the cooperative efforts of the nations of the free world in meeting the threat of Soviet expansion.

We are asked to extend for 1 year the present Reciprocal Trade Agreements Act. The President has proposed this action as an interim measure to "allow for the temporary continuation of our present trade program pending completion of a thorough and comprehensive reexamination of the economic foreign policy of the United States."

In following up his recommendation concerning the present Trade Agreements Act the President has requested this Congress to establish a Commission to make a "thorough reexamination of the foreign economic policy."

Opponents of the Trade Agreements Act in the past have claimed that certain domestic producers were being injured from increased imports resulting from tariff concessions given to other countries by the United States. While this injury has remained, for the most part, undefined, spokesmen for these interests have maintained that only by keeping out imports can certain industries in the United States survive. While no public interested party, be he private citizen or Government official would advocate standing by when domestic producers are threatened with disaster and workers face unemployment other factors must be considered before restricting of imports becomes the only and final solution to the problem. If the United States is to change its policy from one of liberalizing our trade to a policy of constructing further obstacles to the free flow of trade, many factors must be taken into account.

Obviously, if many producers were to be injured and many workers were to become unemployed as a result of allowing more imports to enter the United States, the national interest of the United States would best be served by a careful policy of restricting certain imports that threaten domestic producers. That the United States remain strong must be the central theme in any phase of our national policy. Our allies recognize this, for without a strong United States the rest of the free world could not survive the onslaughts of continued Communist pressures, be they economic or military.

All too often, however, it is not so obvious that workers in industries dependent upon exports to other countries might suffer if the United States were to pursue a policy of restricting imports further. In the event that the other nations of the free world were made less able to pay for our exports by restriction on their exports to the United States they would certainly find it necessary to cut back further their demand for United States goods.

To what degree would domestic producers suffer if the United States were to encourage more imports? To what degree would industries in the United

States dependent upon exports be injured if the United States restricted its imports further? What would be the position of our allies in the free world's quest for collective security if either policy of restricting imports or encouraging imports were to be followed? It is questions such as these which must be answered if the trade policy of the United States is to be consistent with the overriding necessity of keeping both the United States and its allies strong and free.

In this time of strife between the nations of the free world and those which are Communist-dominated the United States can ill afford to disregard its national interest while paying homage to the shortrun interest of some particular producer. Such a study as suggested by the President can bring to light the facts that must be considered in developing a trade policy in the national interest.

It is my firm belief that we should follow the President's recommendations in extending the present Reciprocal Trade Agreements Act for an interim period of 1 year. This will be a symbol to our allies that the United States will continue to work for the achievement of an expanded world trade, founded on the principles of mutual advantage and friendly cooperation.

Mr. HELLER. Mr. Chairman, I am wholeheartedly in favor of renewing the Reciprocal Trade Agreement Act for another year. This act has been on our statute books for a long time. It is the cornerstone of United States commercial policy and it epitomizes the ideal of equal treatment of foreign countries which has characterized our foreign relations since the founding of the Republic.

I am convinced that if Congress should fail to renew this law, it will signify to the entire world that the United States is doing an about-face in its foreign economic relations. The dangers involved in our pursuing such a course would be great and in many quarters it would be interpreted as a signal that the United States is about to return to the discredited principles of tariff protection of the Smoot-Hawley era. The immediate effect of such a course of action would be to provide the Communists with ready-made propaganda material at our expense.

The original purpose of the trade agreements program, when it was first inaugurated back in 1934, was to break the logjam in foreign trade resulting from the worldwide economic depression of the Hoover days. Through the years, the program has played its part in stimulating international trade. Under the act numerous agreements with foreign countries have been signed and, while some of the concessions that have been granted by the United States have been more symbolic than effective in increasing such trade, it is certainly true that many of the concessions have stimulated trade.

Most fair-minded people will admit that this act, and the program administered under it, have been in the public interest. Most will agree that trade

agreements played an important part in the economic recovery that set in shortly after the inauguration of President Roosevelt and that the program has helped to reduce United States trade barriers and has done much to bring about improved international relations. There is no doubt that it has become a practical measure for the strengthening of our economy and the improvement of our relations with other countries.

The unfortunate thing is that the Reciprocal Trade Agreements Act early became a victim of partisan politics. Whenever the act came up for renewal—and it has come up many times, because Congress at no time went further than to delegate the power to modify tariff duties on a temporary basis—the debate and voting has been along strictly party lines. But while the act itself has become a political issue, the trade agreements program has been administered on a non-partisan basis and every legitimate domestic interest has had ample opportunity to be heard and to present its case before any tariff duty has been lowered. Furthermore, in recent years, the act has been amended in such a way as to afford greater protection against foreign competition than domestic producers ever enjoyed before.

While I do not claim that the trade agreements program has averted war or that it has brought about international economic stability, I do maintain that, if not for this act, international trade restrictions throughout the world today would be even tighter than they are and the free world would be worse off than it is. A particular medicine may not have effected a complete cure, but that should not blind us to the fact that it has at least kept the patient from getting worse.

There was a time when the debate over free trade versus protectionism afforded an opportunity for many people to exercise their lung power. Most informed persons were ready to admit that free trade would be desirable and would enlarge the sum-total of goods and services available for consumption. The fact remained, however, that a sudden change from protection to free trade would have precipitated such difficulties of adjustment that it would have resulted in considerable hardship. Under the circumstances the issue was largely academic.

Today, this is no longer true. The debate between those who would keep out imports and those who would be more liberal about it, occupies a new political setting. The world is divided into two parts, the one free and the other Communist. The crying need of the free world is for military, economic, and psychological strength. The need for military strength is obvious. Less obvious, but no less important than military strength, is psychological and spiritual strength, which comes from mutual understanding among nations of different cultural and religious backgrounds. The bridge between military and spiritual strength is economic strength and this means mutually beneficial trade. Those who are still under the influence of isolationism and fail to realize the significance of improved trade relations between ourselves and our allies are pain-

fully unrealistic in their attitude on this question.

In the period following the end of World War II, the countries of Western Europe were economically prostrate. Aid was imperative and if the Marshall plan had not been enacted in 1947, it is altogether probable that Italy and France would have gone Communist. Military assistance under the Mutual Security Program later on was equally essential.

Direct aid, however, is becoming onerous, both to the recipients and to the givers. One solution advocated is through the stimulation of foreign trade. It is pointed out, for example, that each and every dollar of increased imports that the United States allows to enter the country will in fact make just that much foreign aid unnecessary. The fact that the lowering of United States tariffs may not be a panacea for all the world's ills hardly renders such action unimportant. The United States has much more to gain from increasing imports than from stifling trade.

There are, in fact, but three lines of action open to the United States:

The first is to continue our present course of granting huge sums in direct foreign aid, but restricting imports. This is known as the gift route, and its dangers are becoming increasingly evident as the American taxpayers become more restless, while the recipients abroad become uncomfortable.

The second line of action would be to curtail such aid and to allow the chips to fall where they may. If we pursue this course, we are certain to curtail exports also, thereby denying to the countries of Western Europe many of the raw materials which they urgently need if they are to increase production and pay their own way. Furthermore, the strain that would be brought upon our own economy by a severe curtailment of exports would be most dangerous. Many of our industries are dependent upon export markets and by cutting off those markets we could hardly avoid a depression in this country that would have unfortunate repercussions throughout the free world.

The third, and to my mind the only really tenable policy for the United States to adopt, is to lower tariffs and quotas in order to stimulate imports. Such a course of action would enable countries that now receive aid from us to help pay their own way and it would relieve the American taxpayers of some of their crushing tax burden.

If we fail to renew the reciprocal-trade agreements, thereby denying to the President the power to enter into trade agreements with other countries, we announce to the whole world an abrupt reversal in United States commercial policy. Even though the present act is hamstrung by the escape-clause and the peril-point provisions, it is better than no act at all. The President has recently appointed the Honorable Lewis W. Douglas to organize a group for the purpose of making a comprehensive study of the entire subject of economic foreign policy. The very least that we can do is to extend the existing trade law

for another year pending the outcome of this study.

We have no respectable alternative but to extend the Reciprocal Trade Agreements Act in its present form, at the very least, for another year. Let us give the President the required time in which to formulate his recommendations in this complicated area of economic foreign relations. This is not the time to erect new and ever more effective barriers against international trade. It is a time for sound thinking and constructive action.

Mr. SPRINGER. Mr. Chairman, I am glad to support this bill to extend the Reciprocal Trade Agreements Act for a year, which authority has been requested by the President.

I am sure we have had some definite benefits as a result of some of these reciprocal trade agreements in the past. I know that in my own particular area we have been able to dispose of considerable surplus crops in foreign countries by mutual agreements between the United States and those countries. The most important aspect of these agreements at the present time is to assist in the disposal of the tremendous surplus crops that are in storage bins all over the country as well as the Commodity Credit Corporation of the Federal Government. In order for us to keep farm prices stable, it is necessary that each year we dispose of approximately 10 percent of our grain in foreign markets. The disposal of this 10 percent is the margin that keeps our farm program on an even keel.

Undoubtedly the most important feature of the new reciprocal trade act will be the establishment of a temporary bipartisan commission to be known as "The Commission on Foreign Economic Policy," which will provide the mechanism for a thorough examination of our foreign economic policy. This commission will be expected to report back by June 12, 1954, as to its findings. I am hoping that one of the proposals to come out of that commission will be the establishment of an agency in the Department which will be in the nature of a supersales agency for the disposal of our goods and crops abroad.

I support the grain grant to Pakistan which will arise on the floor next Thursday. I feel sure that if the matter had been worked out months ahead, we would have been able to establish a much better trade for ourselves than the Pakistan agreement sums up. If we have an agency in the Department of Agriculture whose sole purpose is sale of our surplus grain in foreign markets, I believe we can do a better job than has been done. Our only task is to find a medium of exchange. Many of these countries want our produce but lack dollars. This agency when created should be able to barter produce of the many countries in exchange for strategic materials which we need for our goods.

I am cognizant that the reciprocal trade agreements as they have been passed by this body in the past have served some useful purposes. However, in order for our reciprocal trade agreements to be effective enough to solve

some of our own economic problems, there must be constant readjustments to world conditions. There have been serious economic changes throughout the world since the establishment of the first Reciprocal Trade Act in 1935. Our trade agreements must be able to keep up with the times. I am hoping that the Commission on Foreign Economic Policy will come up with a solution of some of those problems when it makes its report back here next year.

Mr. STRINGFELLOW. Mr. Chairman, it is with reluctance and some trepidation that I vote today for the Trade Agreements Extension Act of 1953. As I have stated on several occasions in the past, I do not object to a general extension of our reciprocal trade agreements for a period of 1 year in order that the President, his Cabinet, and the Tariff Commission might have ample opportunity to study and reevaluate the entire tariff and trade programs. What I do object to is the fact that there is no provision in this act to grant immediate relief to several of our vital industries such as wool, lead, and zinc producers who are imperiled and face economic collapse unless action is taken to protect them from foreign products being dumped on our markets.

I heartily supported and was in favor of the old Simpson bill, H. R. 4294, which embodied most of the worthwhile principles in the present extension act. However, H. R. 4294 took into account that several of our domestic industries were being endangered and would have immediately imposed quotas and additional duties on the importation of residual fuel oil, lead, zinc, or on other commodities which are being imperiled by foreign dumping on United States markets. Unfortunately there is no such provision in this new Simpson bill, H. R. 5495. It is sincerely hoped that early consideration will be granted by the Ways and Means Committee to H. R. 5496 which contains provisions covering critically imperiled commodities which were eliminated when the Simpson bill was rewritten at the request of the Administration.

When I appeared before the Ways and Means Committee and testified in support of the old Simpson bill, I said:

I am not in accord with any policy or view which would allow some of our vital and critical industries to fold up and collapse while we sit idly by on our legislative hands, waiting for the year evaluation period to elapse. The time to start saving a drowning man is when he gets into water over his head, and not wait until he has gone down for the third time. The moment for making plans and preparation to assist the lead, zinc, and wool industries is right now, and not after all of our mines have closed and started caving in and filling with water or after our sheep have all been slaughtered or perished because of lack of markets. We here in Congress must make up our minds whether we are going to encourage or destroy the domestic production of lead, zinc, and wool. We must take action now to prevent further damage or we will be faced with the irony that our apathy and inaction has resulted in strangling the life out of these segments of our economy.

That statement is still applicable today.

Utah in 1952 had 30 active lead-zinc operations. To May 31, 1953, there were only 8 of these still active, and 6 of the 8 were on a curtailed basis. In May only 58 percent as many men were employed in Utah's lead-zinc mines, mills, and lead smelters as at this same time last year. The same depressed condition exists in other lead-zinc operations throughout the Nation.

This is not simply a case of bailing our own domestic producers out of a crisis, but is a matter of either saving or destroying these industries. It is a fact that the present depressed condition is directly attributable to the United States policies of financially aiding and fostering foreign producers at the expense of the United States taxpayers and to the detriment of our own domestic producers.

Much the same story exists in the wool industry as in the case of lead and zinc. Imports into the United States of shorn wool has been multiplying so rapidly that a continuation of the present practices will entirely wipe out the sheep industry of the United States as an important agricultural and livestock industry.

There is no question about the immediate emergency need for action if we are to save the wool industry. In the past 20 months wool prices have dropped 51 percent. In that same period lamb prices dropped 38 percent. To show the dependence of one segment of our industry upon the other, that drop in the price of lamb includes a drop in the price of lamb pelts from a high of \$12.86 to \$2.85, a 78-percent decline. Because of wool imports forcing a decline in domestic wool prices, the sheep growers of the United States have seen their lamb prices drop \$10 a head, or approximately the equivalent of 10 cents per pound live-weight.

Thus, one of America's basic industries finds itself depression ridden in the midst of a national economy for the rest of the Nation, which has climbed 9 percent in the same period, from an index of 229.5 to approximately 250, near its all-time high. That makes it self-evident that the decline of prices to producers has not been accompanied by any decline in the cost of production. Under continuation of import competition for even 1 more year in the volume and at the prices which have prevailed in the past 10 years, there would be no chance for a price improvement in time to save a further serious decline in production and further losses to the producers and handlers of the industry in the United States.

There are provisions in the Tariff Act and there is section 22 of the Agricultural Act of 1949 which could have given the industry some temporary relief, but these, like the relief provisions of the peril point and escape clause of the Trade Agreements Act, were not made sufficiently mandatory by the Congress, were not enforced, and in actuality provided little protection for the wool growers.

I have tried to briefly outline some of the problems and dilemma facing the wool, lead, and zinc industries in my own

State and in the Nation. In my office I have many files and additional data all testifying to the urgency of this situation. This information is available to any Congressman or other persons who might be interested in becoming more familiar with this trade and import problem. I have introduced legislation dealing with flexible duties on the import of lead, zinc, and wool, which if enacted will largely alleviate the present problem. Also, I have urged early consideration of these measures or similar provisions contained in Congressman SIMPSON's bill, H. R. 5496, in order that relief might come before it is too late to save these vital industries.

The United States is and will continue to be the most powerful economic producer Nation on the face of the earth, only so long as we vigilantly protect and foster the development of our raw materials and build up our productive facilities. The strength and ability of this Nation to wage war or to defend itself against aggression is directly related to our domestic industries. If we continue to develop and build up foreign producers at the expense and detriment of our own domestic industries, we might well find ourselves in the dilemma of having provided our enemies or turncoat allies with the industrial potential which might rear up like a Frankenstein to destroy us.

I believe in foreign trade; I believe in improving our international relations; but I do not believe that we should always cast the United States or United States industries in the role of having to be on the giving end—of receiving the short end of every deal. Let us wake up to reality. While we are attempting to bring a higher standard of living and democratic principles to the backward areas of the world, we are sowing economic, social, and political theories in our own country that might well cause us to lose our own sacred birthrights. To paraphrase the Biblical quotation, "What profit it a man to gain the whole world and lose his own soul," we might have the analogy of aiding the whole world and losing our own place in the sun. I believe in America, first, last, and always. Internationalism and free trade must be secondary to our own domestic needs. Let us save at least some of America for Americans. Let us stop giving our inheritance away for a mess of international pottage.

There is no better time to start than now, and there is no more logical place to start using some good common economic sense than in our basic domestic industries.

I urge my colleagues in the Congress to study this problem and seek enlightenment on the effect which the continuation of present depressive trade policies will have upon our own domestic industries. I feel confident that if you have all of the facts on our foreign trade and import policies, that you will be motivated to support and demand that our domestic producers be given the protection and assistance provided in H. R. 5496 or in my own bill pertaining to these commodities, H. R. 5638 dealing

with wool, and H. R. 4462 dealing with lead and zinc.

I am voting for the extension of the Trade Agreements Act in the hope and with the expectation that an early hearing will be granted to legislation designed to protect United States industries which are imperiled. Also, I have implicit faith in the leadership and advice of our great President, and believe he had the sincere interest of our Nation at heart in requesting the extension. The establishment of a Commission on Foreign Economic Policy is a definite step forward to work out a permanent and lasting policy to foster foreign trade and at the same time take into consideration our own domestic producers and the need for principles which will aid and foster United States production. However, we cannot afford to wait a year, 6 months, or even 3 months for the report of this new commission. We must come to the rescue of our wool, lead and zinc industries immediately and that is the reason why I urge early consideration of H. R. 5495 and H. R. 5638.

"Trade not aid" is an overworked phrase which has little merit in the present crisis. I urge a little more aid for our own domestic industries and a little less devotion to a slogan which has failed to solve any of our import-export problems. A better slogan for all of us to follow in this day and age is "Now is the time for all good men to come to the aid of their country." I urge you to vote to save United States industries today—tomorrow may be too late.

Mr. DAWSON of Utah. Mr. Chairman, I wish it were possible for me to stand here and say that this bill has my unqualified support. Unfortunately I cannot. I cannot vote for this bill without taking an opportunity to draw the House's attention to how the administration of our trade policies in the past have affected a vital industry in my State.

Reciprocal trade, in my opinion, is necessary in a world as interrelated economically as ours has become. In self-interest we must trade with other nations, and, of course, they must trade with us. But under the guise of helping our friends throughout the world we must never allow our own economic position to deteriorate. I am sorry to say that the State Department in the past has not recognized this fact. The provisions in the Reciprocal Trade Act expressly placed there by Congress to protect our vital domestic industries have been ignored until, at the present time, these industries are faced with extinction.

I am not speaking here of those industries whose narrow specialties make them particularly vulnerable to skilled foreign competition. Nor do I speak of industries which changing times and changing demands have made obsolete. No amount of tariff protection would have saved the blacksmith shop.

But I am concerned with industries whose basic production and continued operation are vital to the Nation's security. One such industry is our lead-zinc mining industry. And this industry more than any other illustrates the dangers that can occur to our economy

through mismanagement of our trade policies.

I would like to explain to the House briefly how Government policies in the past have brought this great industry to its knees and why the passage of this Reciprocal Trade Act Extension will not correct the present crisis.

Our lead-zinc mining industry has—more than any other segment of our economy—been the victim of a “double standard” of values which has been accepted and followed during the past decade by those who would buy international goodwill with the jobs of American working men.

Here is how the double standard has operated.

We have continued to levy record high taxes against our local mining industry during the same period that tax concessions have been granted to any citizen who would invest funds in foreign mining ventures.

The Office of Price Stabilization imposed strict ceiling prices on domestic lead-zinc production during the same period that our Government procurement agencies were paying high prices—all the market would bear—for foreign production. While consistently refusing to give any increased tariff protection to our domestic output, the Government is now buying under long-term contracts the output of foreign mines at prices well above the current market price.

The result is, our own mines are closed; foreign mines are booming. Miners who used to earn \$80 per week in Utah are now dependent upon welfare and union benefit payments. They already have exhausted their unemployment compensation. Meanwhile, French Morocco miners are all employed at the munificent salary of \$24 per month. Uncle Sam is receiving no taxes from our closed mines. But foreign nations are reaping tax benefits from a mining industry that is booming.

I am confident that the new administration will realize the importance of keeping a healthy mining industry. I am certain that the year's study provided in this bill will prove that the lead-zinc industry along with other selected raw material producing industries must be given adequate protection from foreign competition. But in the case of lead and zinc a year's delay may be fatal. Mines must operate or they fill with water. Miners must work or they abandon the mining community. During this study, it is imperative that we grant this industry some added protection. Otherwise I am fearful that any recommendation made by the study commission will come too late. It will do us no good to reprieve the condemned man after the hanging.

Consequently, my vote for this bill should not be interpreted as approval of continuation of the status quo in our foreign trade agreements. During this period when the entire problem is being restudied additional protection must be afforded the lead and zinc industry or it won't live until the cure is perfected.

Unless this legislation is supplemented by special protection for this vital

industry I am fearful that ghost towns in Utah, Idaho, Wisconsin, Arizona, New Mexico and Colorado will stand as monuments to those who feel that free trade is the open sesame to national prosperity and security.

Mr. GROSS. Mr. Chairman, I am opposed to an extension of this alleged reciprocal trade program. The record of performance under this act in the past shows that it has operated all too often on a one-way street—with American agriculture, industry, and labor caught in the dead end of that street.

How reciprocal is it to import millions of dollars worth of commodities from the Iron-Curtain countries, including Russia and Communist China, as we did last year and shelling out American dollars, wrung from the taxpayers, to pay these countries for the stuff shipped to us?

Our trade policies in recent years have not been based upon what is good for this Nation and its citizens. These policies have been based almost entirely upon what a few soft-headed internationalists in the State Department thought was good for foreigners.

I predict that the day will come when the American people will awaken to just how badly they have been sold down the river by this international trade program. Then the emptiness of this word “reciprocal,” as it has been used, will become all too apparent. But the damage will be done.

Mr. FISHER. Mr. Chairman, the pending bill proposes to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, for a period of 1 year. It reduces from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause, and it proposes an increase in the membership of the Tariff Commission from 6 to 7.

In my judgment both of these amendments are sound and should be approved. The present Tariff Commission is composed of only six members. This has on many occasions resulted in stalemates, with 3 members voting one way and 3 voting the other way. There was probably some justification for the six-member Commission when it was established back in 1916 because at that time the agency was purely a fact-finding group. The members were called upon to study and collect facts with respect to cost of production of various products involved in international trade, both domestic and foreign. Those facts were turned over to the Congress for appropriate consideration in connection with legislation. But more recently the duties of the Tariff Commission have been expanded. The Congress has done that by changes in the law. The Congress has ordered the Commission to administer the escape clause and the peril-point provision which have been written into the trade-agreements law. In doing so, the Commission is required to make findings, establish conclusions, make recommendations, and resolve differences. It has become a quasi-judicial agency.

In the interest of orderly procedure in democratic processes, it is imperative that the Commission be modernized to

enable it to meet responsibilities placed upon it by the Congress. That, of course, requires that the Commission be composed of an odd number of members. Otherwise you invite stalemates, indecision, lack of responsibility and confusion. After all, this is no new doctrine. The need for odd numbers on quasi-judicial agencies has been recognized for years in the Government. The Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, the Federal Communications Commission, the Civil Service Commission—all have odd numbers of members, and for good reason. To oppose correcting this hiatus in our Tariff Commission setup is to oppose plain necessity in orderly procedure—a necessity created by the Congress itself.

I am not going to let partisanship control my action in this matter. I prefer to think in terms of sound principles or orderly procedure in the operation of an agency where majority decisions must be made from time to time.

Moreover, Mr. Chairman, the work of the Tariff Commission has increased considerably in recent years along with the vast increase in and the expansion of world trade. The Commission is far behind in its work schedule. For example, last September hearings were held by the Tariff Commission to determine whether controls under section 22 of the Agricultural Adjustment Act were necessary with respect to importation of wool. The Secretary of Agriculture had advised the President that he had reason to believe that raw apparel wool and wool tops were being and were practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for wool. The Secretary recommended to the President that he cause the Tariff Commission to make an investigation of the facts.

It is clear from reading section 22 of the Agricultural Adjustment Act, as amended, that the Congress intended to protect against import prices being permitted at levels below 90 percent of parity. Accordingly, at the request of the Secretary of Agriculture, the President directed the Tariff Commission to hold a hearing, determine the facts, and then make a recommendation with respect to the relief contemplated by the law. That hearing was held. But 9 months have come and gone and no decision has yet been rendered.

That indicates in itself that the Commission is overworked and is far behind with its work. Perhaps the addition of another member will not only improve the capacity of the agency to make decisions but will also help to expedite its work which the Congress expects it to do.

Mr. Chairman, the importance of encouraging wool production in this country has been recognized time and time again by Government officials who deal with the subject and who are acquainted with the plight of the growers in competing with mass production in foreign countries. Wool has been designated as a strategic commodity the domestic pro-

duction of which is essential to our national security. The Secretary of Agriculture has recognized the problem in his testimony before Senate and House committees this year. Secretary Brannan recognized it last year when the Department of Agriculture sponsored the hearing before the Tariff Commission.

Several bills are now pending in Congress which are designed to meet the problem and alleviate the distress which has been caused by the dumping and excessive imports of foreign wool, some of it made possible by exchange manipulations and foreign subsidies. I recently introduced a bill, H. R. 5700, which is designed to protect domestic growers against disastrous low-cost competition, and maintain the integrity of the parity price principle. This bill simply implements section 22 of the Agricultural Adjustment Act, to which I have already referred. It is now pending before the Ways and Means Committee, and I earnestly hope that committee will be able to give it proper consideration during this session.

The fact is that under the Trade Agreements Act, as it has been administered, the domestic wool growers have not been given the consideration to which they are entitled. They have not been given the protection that has been authorized by the Congress and which was contemplated in many laws that have been enacted. The position of the growers is well described by Ernest Williams, secretary of the Texas Wool and Mohair Association, in a recent letter on the subject in which he said:

As you know, this association, representing the sheep industry of Texas, has long felt that the industry was not sufficiently protected by provisions of the Trade Agreements Act from wool importations from countries having a lower cost of production. I hasten to say that we do not, and have not, opposed the importation of foreign wools into the United States in the amounts needed for consumption above our own production, and so long as the American grower has first chance at the American market at a fair price. Certainly there is nothing selfish in this desire, nor is it against the best interests of the United States.

We do strongly oppose the importation of wools at prices less than our cost of production. The American sheep industry is efficient, but costs of production are dictated by factors over which the producer has no control. His supplies are produced by labor which has a floor under its wages—foreign labor has no such advantage; certain supplemental feeds have, either directly or indirectly, floors under which their cost cannot fall. The market for lamb is a free one. Wool does have a support in the form of a loan, but that loan is lower than full parity and yet high enough in terms of foreign exchange to allow wools from other countries to come in at an even lower price.

As mentioned above, we do not oppose the importation of these wools. Until such time as the Congress recognizes the needs of the American wool industry, and as a result it is able to expand in sufficient numbers, we must have those wools. We do strongly feel that not 1 pound of Australian, New Zealand, South African, or South American wool should come into this country at less than the American parity price for such wool. It is our contention that the raising of present tariffs to a point more in keeping with American production costs would not decrease the amount of wool coming into this country, nor would it decrease the flow of American

dollars to those countries from which the wool comes.

Mr. Chairman, there has been a tremendous drop in sheep numbers and in wool production in this country during the past 10 years. If we are to rebuild this important industry and achieve the production goals which the Congress has called for, it is imperative that sympathetic consideration be given to remedial legislation to protect the growers against foreign subsidized imports, dumping, and unfair competition. Foreign trade is absolutely necessary. Exports and imports are essential. But international trade contemplates fair competition. That means reciprocity that takes into consideration the relative competitive situation of our own industries and the factors which enter into the fairness of foreign goods sold on the American market. Unless a more realistic and sympathetic approach is given to the administration of existing laws and trade agreements, it is imperative that the Congress legislate further on the subject as it affects domestic wool producers. This should be done at an early date.

Mr. COOPER. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I would like to address myself today to one of the most important pieces of legislation facing this Congress—the extension of the Reciprocal Trade Agreements Act.

Nineteen years ago the United States, under the leadership of the Honorable Cordell Hull, embarked upon a policy of liberalizing and expanding trade under the Reciprocal Trade Agreements Program. Through negotiations under this program the United States has made gradual tariff concession from the record high tariffs established under the Smoot-Hawley Tariff Act of 1930 for trade concessions from other countries. Under this program the international exchange of goods and services has been encouraged and during this period the United States has emerged the leader among the nations of the free world. The United States now has trade agreements with over 40 foreign nations. The high degree of prosperity in the country today is ample evidence the program has not seriously injured any substantial segments of this economy.

I have a strong conviction that any change in existing tariff policy at this time would be extremely unwise. The President has recommended that Congress extend the Reciprocal Trade Agreements Act in its present form for one year during which time a thorough study can be made of our foreign trade problem. The President has indicated that he hopes United States trade policy can be coordinated with the country's total foreign policy.

I heartily concur with the President in his recommendation. To me it appears unwise to change our trade and tariff policy until we are sure we know where we are going and until we have given careful study to what the effects of such a change might be.

There are many arguments for extending the Reciprocal Trade Agreements

Act in its present form, but my reasons for supporting this legislation are based primarily on the necessity for maintaining our foreign market outlets, achieving economic unity of the non-Communist world, and developing a trade policy which is consistent with our role as the greatest creditor Nation in history.

This maintenance of our foreign market outlets is vital to the welfare of this Nation. This is particularly true for agriculture as evidenced by the fact that exports of agricultural products reached \$4 billion or 27 percent of total United States exports in 1951. In that year approximately a third of our raw cotton, wheat, rice, dried peas, and tallow was exported. About a fourth of our tobacco, peanut oil, soybeans, and lard also was exported. The loss of foreign markets for these products would cause serious economic and social repercussions in this country's agricultural areas. The decline in agricultural exports in recent months is ready being felt on the domestic front. Stocks are piling up in the Commodity Credit Corporation and farm prices in most cases have tumbled to support levels.

The agricultural commodities moving into export markets in the 1951-52 season represented the production of some 60 million acres—equivalent to the cultivated areas of the States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee, and Kentucky. And this does not include the livestock products produced on pastures or orchard crops.

The absorption of the production of these acres by the domestic market is virtually impossible in any short period of time. Some shifts can and will be made by farmers to other crops in the long run. Nevertheless, reducing the acreage in the export crops will take time if serious maladjustments in agriculture are to be avoided.

For instance, in the South the opportunities for alternative crops which would give farmers anywhere near the same income they now receive per acre from cotton are limited. Shifts into other major crops of any sizable acreage over a short period of time simply contribute to the oversupply for the other crops. Shifts into livestock production take time. A permanent loss of three to four million bales of cotton exports would mean a reduction of income that would be disastrous to the economy of the South.

Significant segments of United States industry also have a strong interest in exports. In the industrial machinery field, the United States currently sells abroad about 21 percent of its tractors, 30 percent of its graders, 20 percent of its machine tools, 20 percent of its oil-field machinery, 27 percent of its textile machinery, and 15 percent of its trucks. Exports of chemicals are sizable with 25 percent of the sulfur black production being exported, 27 percent of penicillin, 30 percent of DDT, 26 percent of the carbon black, and 40 percent of the copper sulfate. Sales abroad are important to many of the other nonagricultural industries. Exports of lubricating oil equal 27 percent of production, paraffin

wax 26 percent, turpentine 24 percent, and rosin 36 percent.

These statistics indicate the overall importance of foreign trade, both to agriculture and industry, but I would like to illustrate just how important foreign markets are to the United States cotton industry. The cotton producers have been through an exceedingly prosperous period since World War II. Only in 1 year, 1950, has it been necessary to impose marketing quotas and acreage restrictions. As a result cotton producers have gone all out for full production and in the process great achievements have been made in production efficiency. Farms have been mechanized, recommended farm practices have been adopted, yields per acre have been increased, and in general cotton production has taken advantage of the opportunities afforded through science and technology for greater efficiency and lower costs. These achievements have been facilitated by the high level of farm production. Now, it is apparent that the cotton industry is facing the same old problems that it faced once before. First, there is greater competition in the fiber market at home; and secondly, export markets are shrinking.

The recent decline in cotton exports which for the current season are averaging just about one-half of the rate for the last season, is the major cause for concern. Unless exports pick up soon, it looks as if marketing quotas will be inevitable for next year. This will require production controls. With production curtailment and lower prices, farm incomes will suffer. In this connection I might add that net farm income may very likely suffer to a greater extent than gross farm income. This is because farmers today who have mechanized their operations and have adopted other scientific and improved techniques have increased their cash operating costs as compared to a generation ago. Farmers will find it more difficult to cut back production today and continue to produce profitably. I might add, here, that this is not only true for cotton farmers, but for all farmers as well. The maintenance of our export markets will have a tremendous impact upon American agriculture's ability to continue its progress toward greater efficiency.

A large volume of production in agriculture as in industry leads to lower unit costs and prosperity.

The development of sound multilateral trade among the nations of the free world is our greatest weapon for combating Communist aggression. If we are to break the ties between the East and the West, we must develop a trade policy which will make it possible for our allies to secure the raw materials they require for economic stability. A third of Western Europe's trade used to be with the Iron Curtain countries of Eastern Europe. If we think it wise for security reasons to discourage East-West trade, it is incumbent on the United States to provide a climate which will permit Western Europe to develop its trade in the free world. If we are to keep Japan from trading with Red China and Manchuria, we must permit them to develop

their trade in the free world also. There are tremendous possibilities for economic development and for trade in the rest of the Far East if the right policies are established by Japan and the rest of the world.

Trade is a two-way street. The fact that the economics of the industrial countries of Western Europe, Japan and the United States are not complementary does not make it easy. The United States is capable of supplying most of the raw materials needed by these countries, but unless we are willing to buy something—either goods or services—they have no way of paying for these raw materials. This is a delicate situation. Unless the United States recognizes this impasse, there appears to be no alternative but to permit Western Europe and Japan to reestablish trade with the Communists. Development of the underdeveloped areas is being encouraged and in the long run should provide expanding markets for the United States and the industrial nations of Western Europe and Japan. Greater private investments in the underdeveloped areas will stimulate economic development there and also stimulate trade. This, we are encouraging, but in the meantime I want to urge that we must do our best to devise a trade policy which is consistent with our own overall security requirements.

The economic aid programs since 1945 have bridged the gap, but we certainly should not look on such programs as the long-run solution.

I subscribe to the philosophy that it would be better for us to trade than to continue huge giveaway programs.

Western Europe also subscribes to the idea that trade should now supplant aid. Now that Western European and Japanese industries have recovered from the devastation of war, these countries feel that they are now able to earn their own way if given a chance.

To me, this seems logical. It certainly is more appealing than the continuation of economic aid on the scale that we have known in the past.

If the rest of the world is to have this chance, our trade policy should recognize that trade is a two-way street. Only a small increase in United States imports would be of great value to the rest of the world in obtaining the necessary dollars to buy the raw materials that they must have to be self-sustaining and should go a long way in helping us to balance our domestic budget.

The case for continuing the reciprocal trade program cannot be refuted. It is in the national interest. If restrictive amendments are tacked on the Trade Agreements Act, it will seriously affect our international trade relations. The rest of the world is already worried about United States actions which might make it more difficult for them to trade with us. If we let the trade-agreements program expire, it will compound the doubts among friendly foreign nations as to our future trade policy.

I am gravely concerned over the provision of H. R. 5495 which would pack the Tariff Commission. Increasing the membership from 6 to 7 members and

providing that not more than 4 of the Commissioners shall be members of the same political party would be unfortunate. It would change the entire concept that the Tariff Commission should be a nonpartisan body. It would change the Tariff Commission from an objective fact-finding body to a political body and invite decisions based on political grounds rather than on merit. This would create instability in trade policy. The proposal to increase the Tariff Commission membership is an attempt by those who have opposed the trade agreements program from its inception in 1934 to reverse the principles of the program by making it a trade-restrictive measure. It is an attempt to achieve indirectly what could not be accomplished directly.

In conclusion, I wish to urge the extension of the Reciprocal Trade Agreements Act of 1951 in its present form, without a single restrictive amendment. This is no time to compromise. If we do, we will be compromising ourselves, our economic well-being, our international role of leadership, and our economic and political security.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I favor passage of the bill but am opposed to the crippling amendments in the bill. I shall support the Cooper amendment to be offered to improve the measure.

The great Committee on Ways and Means is to be congratulated in favorably reporting and recommending for passage a further extension of the Reciprocal Trade Agreements Act. As we all must recognize, the Reciprocal Trade Agreements program has been one of the most important and far-reaching statutes ever enacted by the Congress. I have urged previously that the act be favorably reported without nullifying amendments. It is gratifying that the rule has been adopted for continuing the extension of the trade agreements program. The bill should be extended for the customary period of 2 years, rather than the 1-year extension recommended by the committee. In addition, may I say that while a study commission, authorized by the new bill, may have some merit, I do not think that such a study commission is either necessary or desirable. It is a great mistake to increase the membership of the Tariff Commission from 6 to 7 members as proposed in this bill. Traditionally the Tariff Commission has been a nonpartisan, fact-finding body, and it should not be made a political and partisan body to make decisions on economic policies which involve not only the welfare of our own Nation but of the other nations of the free world.

My great interest in this legislation is accentuated by the fact that I have the honor to represent the district formerly represented so ably by the distinguished and pioneer advocate of better trade relations with other nations, Judge Cordell Hull, a beloved son of Tennessee. After Judge Hull became Secretary of State, he wisely foresaw the need for revision of the United States foreign economic

policy in the direction of freer trade for the promotion of peace with other nations of the world and for strengthening of the foundations of security.

The ultimate objectives of the United States foreign policy being peace, freedom and prosperity, every effort should be made to accelerate these objectives. Economic weakness in any part of the world is a threat to the strength and unity of free nations. We must not permit sectional interest to obscure the national interest, nor must we permit short-term interest and prejudices to jeopardize the long-term benefits of promoting freer trade and commerce among the nations of the world.

Today we are at the crossroads facing a fateful choice. Let us not turn back but go forward. We can adopt a restrictive policy that would reduce the volume of our exports which can be paid for only with earnings of foreign countries from their increased imports; or we can adopt a progressive policy which will enable us to continue our high productive capacity by maintaining and increasing our exports to friendly nations.

Maintaining production at peak capacity means that consumer capacity must be expanded—the Reciprocal Trade Agreements program greatly aids in effecting this purpose.

The last available figures in our Nations exports show that foreign markets consume 39 percent of our rice, 38 percent of our cotton, 37 percent of wheat and flour, and 26 percent of American-produced tobacco. Agricultural exports reached a total of \$4 billion and manufactured goods, a total of \$3 billion. The reciprocal trade program has greatly facilitated this commerce.

International trade is a two-way street and we must buy if we expect to continue to sell our agriculture and manufactured products to other nations.

Let us defeat the crippling amendments here proposed and continue to design a trade policy of promoting the widest possible trade for our American products, which will, in turn, greatly aid in the promotion of our own prosperity and world peace.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, Einstein himself would feel like a split personality after trying to reconcile all the contradictions that pop up in any discussion of reciprocal trade.

If he came from New England he would know that the textile industry there—or what is left of it—is battling for its life and there would be nothing academic about that fact.

At the same time he would realize that foreign nations must have a chance to sell some of their goods here, or else, we would have to keep on giving them money. That is, if we wanted to have some allies in the struggle against communism.

Neither complete free trade nor Smoot-Hawley protectionism are practical in the world of 1953. These are the horns of the dilemma. The right course, and the workable course, is somewhere in between. It is the flexible formula of

negotiation, otherwise known as the Trade Agreements Act.

Every nation must have markets for its goods. But no nation can open its doors to a flood of foreign products that would put its own people out of work. Even within a country as the United States, there is a difference between one product and another, insofar as foreign competition is concerned. Some industries, like textiles, need protection, because foreign textiles of the same quality but manufactured at slave wages, can undersell our products in American stores. By contrast, the automobile industry, by its superior productive methods, has nothing to fear from the sale of foreign cars in the United States. It can pay high wages and still beat foreign competition in the home market. Besides, most nations cannot maintain an automobile industry of their own.

The nub of the situation is that some of our industries need protection and others do not.

That is why some Members of Congress can consistently support the basic philosophy of reciprocal trade, while insisting on certain exceptions to the general rule.

Because of the district I represent, that is my position.

The national interest requires the extension of the Trade Agreements Act with proper safeguards to lessen those world-wide trade tensions which so often lead to war. Take the case of Japan, now in the camp of the free world. It has temporarily lost its natural market—China. If it is not to make a deal with the Communists, in order to survive, it must find compensatory markets elsewhere. That means that we must open up part of that market to some Japanese goods in the United States or risk the alienation of Japan.

I said some Japanese goods—meaning those that do not conflict with our basic industries.

At the same time, our prime duty is to remember that the purposes of the original reciprocal Trade Agreements Act of 1934 included “restoring the American standard of living” and “overcoming domestic unemployment.”

Some may counter by saying that conditions now, are much different from the situation in which we found ourselves in 1934.

True in many, if not most respects.

But in several large communities of New England, so-called mill cities, we have had serious unemployment for several years.

Without escape clauses or peril-point protection their position might become desperate. New industries do not move in overnight to take up the slack. We must at least maintain what textile industries we have, until the transition is accomplished.

Our present plight is due to the southward trend of the industry, where labor costs and wages are lowest. We do not believe in going backward, by canceling the legitimate gains that labor has made after such a struggle. Even the South will find that its present low textile wages will have to go up.

The differentials between northern and southern wages in the textile industry have been enough to cause a severe dislocation which has left us with a large and continuing labor surplus.

But the differentials between New England textile wages and those of foreign textile industries are extreme.

Without duties to equalize the cost of production, the use of countervailing duties, and the prevention of unfair practices, including dumping in import trade, our embattled textile industry is done for.

The report on the New England textile industry by the committee appointed by the conference of New England Governors published a short time ago finds that—

The major explanation of New England's decline in textiles is the large differential between wage costs in that area and other parts of the United States. As the report states: “In highly competitive markets an addition of a few cents a yard in the cost of producing cloth in any one area eventually means loss of sales and brings on operating deficits and resultant loss of employment.”

As between the United States and foreign competitors in the textile industry, there is a vast difference in wages. The average hourly wage in the United States is from 200 percent to 1,200 percent higher than foreign competitors in the textile field.

If we should lose but 10 percent of our home market to foreign textile producers, the economic setback would amount to \$1,342,929,000. Employment would drop by 105,000. In addition, the Federal Government would lose \$32 million of income taxes from displaced textile workers.

Trade, not aid is the objective of our international economic policy. I cannot avoid mention of the fact that, on the domestic scene, the United States Government is providing neither trade nor aid to the labor-surplus areas of New England.

Indifference to our domestic struggle is serious enough, but further and deliberate damage through lack of protection against foreign competition would be disastrous.

I did not make up these figures. They are a matter of record, and everyone has access to them.

Those who ignore them, or tamper with them, are answerable to every American who is unemployed through no fault of his own.

In my humble judgment, H. R. 5495, like most pieces of legislation, is not the best of bills, but we have no other choice.

It is an interim measure for 1 year that will attempt, as it states, to “foster the highest possible levels of trade consistent with the national security and a strong domestic economy.”

It is better than having no basis for agreement.

Therefore, with reservations, and hoping for corrective amendments, I am going to support the basic purposes of H. R. 5495.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Chairman, the present Reciprocal Trade Agreements

Act which we are asked to extend is a far cry from the original trade agreement philosophy of Cordell Hull. By snipping here and snipping there, protracted interests have succeeded in inducing Congress not merely to whittle down the effectiveness of the trade-agreements program; they have converted it from a law intended to stimulate foreign trade to one designed to restrict it. Let there be no mistake about it, the present Trade Agreements Act is nine-tenths protectionist legislation.

Some people forget very quickly and sometimes conveniently. When President Roosevelt and the Democratic Congress assumed office in 1933 the country was economically sick—desperately so. The sparkling effect of the leadership that descended upon Washington was manifest in all departments of economic life and Government. Before long the wheels of industry again moved and the farmers acquired new hope.

The cumulative sluggishness of foreign trade that had been nourished by the Smoot-Hawley Act and the retaliation that it engendered abroad soon encountered determination on the part of the new Government to do something about it. Reciprocity had been talked about and tried many times in previous years. In fact, just before his assassination in Buffalo, N. Y., President McKinley, notwithstanding his long background of protectionism, saw the light and urged two-way trade through reciprocity. But nothing came of it. All the attempts that followed called for congressional ratification and the many strenuous and sincere efforts on the part of individuals who attempted to negotiate agreements came to naught. It was as clear as crystal to those who really wanted action that commercial reciprocity is not workable if ratification of every detail of every agreement by a parliamentary body is required. The group pressures are too great.

Cordell Hull, then Secretary of State, who had already devoted the better part of a normal life-span to liberalization of the tariff, knew this. He had been in Congress and had seen at first hand the day-to-day behavior of protectionists before the Ways and Means Committee and Congress generally. Since he wanted to do something about it he saw to it that legislation was introduced that, above all else, was practical. The result was the Reciprocal Trade Agreement Act of 1934, an act that was intended to break the log-jam of foreign trade by facilitating the international movement of goods by lowering tariff barriers. It delegated to the President, within clearly stated limits, the power to enter into executive agreements with other countries for the purpose of lowering trade barriers. Moving cautiously, while establishing the executive machinery necessary to plan and negotiate agreements, Secretary Hull succeeded in unshackling trade and at the same time in establishing safeguards for every legitimate domestic producing interest.

Between 1934 and 1947 the President, utilizing the interdepartmental machinery that had been set up under the leadership of Secretary Hull, entered

into 29 bilateral trade agreements with individual foreign countries. Under these agreements tariff rates were reduced or bound against increase by the United States on products accounting for close to 70 percent of this country's dutiable imports. On the export side the United States received many valuable concessions from foreign countries, both in terms of concessions on specific items and in terms of general treatment of its commerce. Between 1935 and 1947 United States exports to countries with which the United States had agreements in effect before January 1, 1948 increased from \$1,600,000,000 to \$11,700,000,000. In the earlier year this trade accounted for about 70 percent of total United States exports, but by 1947 it accounted for almost 82 percent.

In 1945 the act was strengthened and the President was granted the power to reduce rates to 50 percent of those in effect in 1945 instead of, as provided for in the original act, to those in effect in 1934. Since 1934, the Trade Agreements Act has been extended seven times and we are now called upon to extend it for the eighth time.

In most of the congressional hearings on the renewal of the Trade Agreements Act there has been heated controversy regarding the effectiveness of the program. Even at their best, statistics should be used with great caution. In a world as upset as it is in this mid-20th century, there are so many unusual variables that it is almost impossible to isolate cause-and-effect relationships. To claim flatly that the Reciprocal Trade Agreements Act brought about world peace manifestly would be false. However, the fact that the world has been plunged into two great world wars within a single generation and seems to be moving rapidly toward a third, does not prove that the Trade Agreements Act was not a force for world peace. A small boat equipped with a small outboard motor can battle upstream valiantly and still be washed downstream by the flood. Does this mean that the motor should be discarded altogether or that the boat needs a stronger motor? The trade-agreements program, gentlemen, as a force for loosening the straitjacket on world trade, needs strengthening, not weakening. Who, honestly, will deny that world trade is a force for peace? Countries that trade together in good will are not the countries that tend to fight each other on the field of battle. I have no sympathy with those who would discard what is good simply because it has not resulted in quick perfection.

Many conflicting forces have been at work throughout the life of the trade-agreements program to confuse statistical cause-and-effect relationships. But such official statistics as are available clearly indicate that the program has been headed in the right direction and that it has clearly resulted in discernible beneficial effects. The official statistics show that imports from countries with which we have had trade agreements have increased substantially more than have imports from the coun-

tries with which we had no trade agreements.

Between 1934 and 1945 imports from countries with which the United States had trade agreements increased by 196 percent, whereas imports from all other countries increased by only 65 percent. The increase in imports of nonagricultural products was particularly outstanding, with imports from the trade-agreement countries increasing by 228 percent, compared with an increase of 118 percent from non-trade-agreement countries.

On the export side, United States trade with trade-agreement and non-trade-agreement countries increased at about the same rate between 1934 and 1945—between 330 and 385 percent. Exports of agricultural products, however, increased more to the trade-agreement than to the non-trade-agreement countries—236 percent and 173 percent, respectively.

Since 1947 trade agreements have been negotiated multilaterally. The first large trade conference, participated in by 23 countries, was convened in Geneva in 1947. Out of it came the General Agreement on Tariffs and Trade, under which the United States signed trade agreements with each of the other 22 countries and each of them in turn entered into agreements with the United States and most of the other countries in attendance. This conference was followed by subsequent negotiations at Annecy, France, in 1949, and at Torquay, England, in 1951. The agreements now in effect include 34 contracting parties and the trade covered accounts for about four-fifths of the world's total. Most of the countries with which the United States had bilateral trade agreements prior to 1947 have come under the general agreement.

As a result of these years of negotiating, the United States has reduced or bound almost 2,600 rates affecting products with a trade coverage of over \$2.5 billion, or 95 percent of our dutiable imports in 1949.

All of these accomplishments were achieved under the Trade Agreements Act in its original, unadulterated form. As early as 1947, with the advent of the 80th Congress, the adulteration process began. Through the years, with a huge crescendo whenever renewal hearings were held, the opponents of the program did their best to cripple the act through amendments. They called them perfecting amendments; in actual fact, they were crippling. Until the 80th Congress came to power, however, the forces of reaction were unable to make any serious inroads into the act or the program.

Meanwhile, the administration was introducing safeguards of its own to insure against serious injury from imports. In the Mexican Trade Agreement of 1942 there was included a so-called escape clause which reserved the right to withdraw a concession which resulted in unforeseen injury to any domestic producing interest. By agreement with the congressional committee the administration agreed that this escape clause would be included in all new trade agreements. The 80th Congress was not satisfied,

however, and wrote a so-called peril-point amendment into the law.

Under the peril-point amendment the President, before entering into a trade agreement with any foreign country, is required to inform the Tariff Commission of the commodities upon the imports of which he contemplates making concessions. The Tariff Commission, after hearings and study, is then required to advise the President of the points beyond which, in its opinion, he cannot go in reducing tariffs without imperiling the producers of the products in question. What President, particularly one who is aware of the political pressures involved, would dare go beyond the points set by the Commission? And how far do you suppose realistic Tariff Commissioners will be willing to go in the face of the high tariff pressures that are snowballing upon them? Let us be realistic about this. The peril-point and the escape-clause provisions are protectionist devices intended to intimidate those who see the national interest from doing what is necessary to enhance it. These amendments to the act represent abject surrender to the special interests. Those who have put the heat on Congress to strangle imports would sell the national interest down the river for a mess of special interest porridge.

It is significant that no important trade agreements have been made under the law in this emasculated form. The 81st Congress immediately repealed the crippling amendments and restored the act to its original form. It remained that way until 1951, when Congress imposed the peril-points and the escape-clause provision in even stronger form.

And now, under the Simpson bill, we are asked not to restore the act to its original workable form, but to modify it still further in the direction of ineffectiveness. The changes that the Simpson bill will make in the present act would make it into an exclusively protectionist measure.

Congress should be aware of the fact that, speaking practically, no real lowering of international trade barriers will be possible as long as the act contains such provisions. It is unworkable except as an instrument for imposing greater restrictions. The only part of the present act which will be used, indeed, is the escape procedure. For practical purposes even the peril-point provision will be a dead letter, since the President already has told the Congress that he does not intend to use the act, at least in the coming year, for the purpose of entering into new tariff-lowering negotiations.

Under the escape-clause provision, with the Tariff Commission weighted down heavily on the side of protection, there will be a veritable flood of complaints of injury or anticipated injury. We can expect to see a steady stream of greater and greater pressures exerted upon the Tariff Commission and the White House to undo much of the good work that has been done through the past 19 years.

I am interested in the national welfare. I want to see my country maintain an honorable peace. I want to see a strong free world that will be able

to resist Communist advance by the force of its own character. I do not think that the United States can go it alone. I believe that we need strong allies and, further, that the way to keep our allies on our side is to live and let live.

The issue is no longer merely the economic wealth of the United States. It is peace and security. In fact, it is our very survival as a free nation that is at stake. Under the circumstances I want to do all that I can to keep our country from running backwards, from undoing the good work that has been done.

Were it politically feasible I would hold out for the restoration of the original Trade Agreements Act as conceived and perfected by Cordell Hull. I do not, for one moment, believe that we are fooling anybody, other than ourselves, when we claim that renewal of the present act is a step toward trade liberalization. We certainly are not fooling our allies. Yet, to pass no act at all would make it abundantly clear to everybody that we are determined to return to the days of Messrs. Smoot and Hawley. To extend the act in its present form is just slightly better than nothing. If we pass it we at least retain the symbol, the shell, of a once-vital program.

Meanwhile those of us who want to continue the tradition of Cordell Hull will fight to put the country back on the right track, the track that leads to practical international economic cooperation, and ultimately to world peace through understanding and good-will, not to isolationism. It is my fervent hope that the Congress that comes into power in January 1955 will have the few additional votes that will be necessary to bring this about.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Chairman, I find myself in a position today of having to vote against a 1-year extension of the Reciprocal Trade Agreements Act. Because I believe in the basic purposes and principles underlying reciprocal-trade agreements, it is with regret that I oppose this extension.

I am cognizant of the fact that the great Democrat Party of which I am a member has long been the exponent of free trade. I realize, too, that we are living in a world which has been reduced by the miracles of modern science to a small community, and that if we expect to live happily, peacefully, and prosperously with our neighbors, we must work with them and trade with them. This is an age in which nations desiring to enjoy independence must, of necessity, be interdependent. The principle of reciprocity in trade is sound and desirable in my view. It is imperative that we make agreements whereby foreign markets will be open to our goods, and our markets will be open to other countries enabling them to earn dollars with which to purchase commodities produced by American industry.

However, to vote for H. R. 5495 which provides for a 1-year extension of the Trade Agreements Act but which fails to provide adequate protection for American industries is unthinkable.

World trade is a two-way street, not a dead end or a blind alley. It involves rules of fair competition, it involves rules of reciprocity, it involves American jobs, the American standard of living, and national security. I know that one who desires to protect the industries of America so that a livelihood can be obtained by the men and women in them is quite likely to be labeled a protectionist and an opponent of international trade. But I do not believe that consideration of the welfare of our own people is a dastardly notion, nor do I agree that a legislator of this mind is automatically opposed to world trade or reciprocal agreements.

For many weeks we have been bringing to the attention of the Congress facts concerning the existing conditions in the coal industry and other industries. It has been repeatedly pointed out that unrestricted importation of residual oil from Venezuela and the Netherlands Antilles is hurting American industries and creating unemployment and underemployment. Residual oil is a leftover product of oil refineries, and those who produce it are tempted to sell it for any price in order to get rid of it. Forty-eight percent of this leftover product has been dumped on American east-coast markets where it is used in electric utility and manufacturing plants, whereas only 6 percent of the more desirable and more needed byproducts of the crude oil throughout is sold to the United States. Last year 127 million barrels of residual oil were dumped upon American markets, displacing 31 million tons of coal. This amount represents an increase of 300 percent in residual-oil importations over a period of 6 years and it was great enough to deprive the coal industry of \$151 million in revenues last year, miners and their families of \$75¼ million in wages, the railroads of \$86 million in revenues, railroad employees of \$43 million in wages, and National, State, and local tax coffers of \$34 million in taxes. As a result of the excessive importation of this foreign leftover oil, domestic oil producers have curtailed activities leading toward the exploration and development of new oil fields. Capital investments in the coal industry have been impaired and future progress has been impeded. Mines have closed, and this industry upon which we must depend most for fuel and power in time of need has been made to suffer.

West Virginia is the greatest bituminous-coal producer in the United States. Coal mining is the major industry and it involves 65 percent of our overall State economy. Since January 15 of this year over 70 mines have closed in West Virginia, more than 30 of which have been in my district, the Nation's largest coal-producing congressional district. Thousands of men have left the State to seek employment elsewhere. Many of these men are past 40 years of age and have had experience only in coal mining. Not only does the miner suffer, but the situation has set up a chain reaction which is felt in barber shops, filling stations, retail stores, wholesale houses, schools, and churches. A chain is only

as strong as its weakest link. Coal is the weak link in the chain of our national economy. If we continue to permit unrestricted importation of foreign residual oil, I fear that the impact of economic distress in the coal fields will eventually make itself felt in other parts of the Nation.

We are told that in the year 1975 American industry will need 800 million tons of coal—70 percent more than the total production last year. This estimation is based upon conditions existing in a peaceful world. If at any time we should be at war, of course, the demand would be even greater. In peace or in war how can we expect our coal-mining industry to keep pace if we are going to deprive it of its markets, destroy its initiative, and deplete its manpower? Furthermore, in view of the fact that reports indicate that Russia today possesses six times the number of submarines possessed by Hitler at the beginning of World War II, how can we expect, in the event of total war, to keep our oil lifeline open if we depend upon foreign sources for supply? I contend that we should give every encouragement to the protection and development of a healthy coal industry, an industry which will be called upon to supply coal—not only for heat and power, but also as the basic product from which many, many chemicals and synthetic fuels will be derived.

H. R. 5495 falls of this purpose. It does not afford this needed protection to the coal industry, to the glass industry, nor to certain other domestic industries. Under the rule by which this bill has been brought to the floor we are even precluded from amending it to include such protection. The bill, while providing for the extension of an act which is basically desirable, penalizes American domestic industries and the men and women engaged in them, and at the same time enriches a few giant oil companies, benefiting but little the people of Venezuela and a couple of small islands in the Caribbean. I know that there is a faint possibility that H. R. 5496, a bill which would give our industries the protection they need, may be brought before the House later, but that is not likely. My vote against the bill before us is a protest in behalf of the American people to whom I first owe my allegiance. I urge my friends here to vote in like manner. To do otherwise is to cheat ourselves and those who come after us.

In Edwin Markham's Parable of the Builders we are told the story of a certain rich man who had it in his heart to do good. One day as he was out walking over his broad estate he came upon a little hut down in a valley in which lived a poor carpenter with a large family. The following morning the rich man called the carpenter to his side and placed before him the plans for a beautiful building. He said, "I want you to build me a house just like this one over on that sunny hill. I want you to procure only the choicest of materials and use only the finest of labor, for I want it to be a good house." With that, he went away leaving it all to the builder.

After he had gone the carpenter said to himself, "This is my chance." He skimped a little here and he skimped a little there. He used twice as much sand and half as much cement in the foundation as the specifications called for. He used the poorest of materials and the cheapest of labor in order that he might have more money for himself.

At length the rich man returned. The carpenter walked up to him and offered him the keys, and as he did so, he said, "That is a very fine house I built for you over on that sunny hill."

"Good," said the rich man. "I am glad that it is a good house, because I have intended all along to give it to you when it was finished. The house is yours."

The carpenter walked away broken-hearted. How industriously he had been cheating himself. As he walked away with the keys in his hands, he said over and over again to himself, "Oh, if I had only known that I was building for myself."

Each of us is working on a building. It is the building of America. Let us take care as we build for the future, lest we find like the carpenter when it is all too late that we have been cheating ourselves.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, some of those who have appeared before me plainly stated they want the Tariff Commission to be a partisan commission. It seems to me I have heard the President of the United States and I have heard the leaders of the Republican Party and the leaders of the Democratic Party appealing for a nonpartisan foreign policy. A foreign policy must be based to some extent on the reciprocal trade agreements program. Here is a Republican leadership in the House on the Committee on Ways and Means advocating partisanship on one of the most important programs facing the United States. Therefore, they are overriding the will of not only the President but the will of four of the members of the Cabinet. In addition to that, Mr. Chairman, the President has been all over the country, and his Cabinet Secretaries and Assistant Secretaries have been all over the country advocating a 1-year extension without any amendments whatsoever in this reciprocal trade agreements program. Here we have another example of the leadership in the House of Representatives absolutely opposing the program of the President as well as the program of the Republican Party.

Mr. Chairman, when the Secretary of the Interior threw out the suggestion that "You will go before a new commission in effect if you want relief," he was trying to sweeten up some of the Republican opposition to an extension of this program for 1 year. He, in effect, told the world "You will get consideration if you go before that commission now." He might just as well have said "We will knock out the heart of this reciprocal trade agreements program and the nonpartisanship part of it, which has existed for 40 years. We are going to do things on a partisan

basis." That is what I think the Secretary, Mr. McKay, meant when he tried to sweeten up the Republicans so that they would vote for an extension.

Mr. Chairman, for 40 years this Commission has been nonpartisan. But now we are to have something quite different. As for the witnesses who did appear against an extension—there were many of them, but what kind of witnesses were they? Mr. Chairman, they were the same witnesses who have appeared in opposition to this program every time it has been up for renewal.

The members of the Ways and Means Committee knew in advance what they were going to say. In fact, they repeated everything that they had said 2 years ago, 3 years ago, 6 years ago—ever since the commencement of the program. So we did not get any new information from them. So we have the same opposition. And it is surprising to me, Mr. Chairman, that there is this insistence on partisanship. I am very glad, though, that those who oppose the program are not trying to conceal the fact that they want a partisan Tariff Commission.

You know what was in the original Simpson bill. It proposed to take from the President of the United States any discretion whatsoever. Under the original Simpson bill the President would have been compelled to accept the recommendation of the partisan Tariff Commission without regard to the foreign policy of the United States, without regard to many of the factors that enter into a decision by the President of the United States. It meant just taking away the power from their own President—absolutely. And that is what they have in mind for the future.

Mr. Chairman, it seems to me that this is one of the most—well, I might say dangerous moves that this Congress could take. It is notice to the whole world that we are going to change our policy with regard to building up the economies of foreign countries; to change our whole policy with regard to giving them an opportunity to sell their goods; to change the whole policy which has been for them to be able to sustain themselves and to provide some military defense. Our friends of the free world must have a sound economy in order to build some kind of a military defense for their own country's protection and for the help of the free world at large.

Mr. Chairman, the notice that will be given to the world at large, to the countries who are now our friends, will be that we are going back to an isolationist economy; that we are not going to help them in the future. And that is what they are fearful of right now. I know what they are saying down in South America, especially the friends of communism: "Don't depend on the United States." That is what some are saying now, much to my regret.

Mr. Chairman, the continuation of the present trade agreements program is as much, if not more, in our own self-interest as it is in the interest of other free nations of the world. We must remember that although less than 7 percent of the population of the world is in the

United States, we produce about one-half of the industrial goods of the world. Also, we are far from being self-sufficient now, and we are steadily becoming less self-sufficient. This is due to the growth of our population and our ever-increasing per capita consumption of goods, with the consequent depletion of our natural resources.

The economic isolationists among us ignore these facts. They also ignore the fact that one of the most effective defenses against world communism is an expanded and liberalized trade agreements program. We have given and received commitments from various free nations in the world, looking toward our mutual defense and economic welfare. To retract from the philosophy of our trade agreements program toward the isolation of the Smoot-Hawley days, even for a moment, would cause serious repercussions among the free nations of the world and here at home.

Expanded international trade is the cheapest and most effective way to fight communism. If we should need proof of this, we can get it by noting that the Soviet bloc is hoping to encourage trade between itself and our friendly allies. This is an attempt to drive an economic wedge between the free nations of the world. Russia would be greatly benefited by trading her agricultural goods and raw materials for manufactured goods, so as to free her factories producing these goods to build war materials. A cut in foreign trade and aid could do nothing but play into the hands of the Communists at this time.

Through the Marshall plan, the Economic Cooperation Administration, and the North Atlantic Treaty Organization, we have helped reestablish the war-torn industries and economies of the free nations of the world, and strengthened our mutual security. We did this in order to help the free nations become self-sustaining. These programs have cost the taxpayers billions of dollars, and we have put 7 years of effort in them. Any attempt to cut down on the flow of imports into this country would tend to defeat our own purposes which we have strived to accomplish through these programs.

Since 1914, the excess of our exports over imports has been around \$100 billion. This has meant that we have drained the other nations of the world of their gold, which we have now buried at Fort Knox, that they have defaulted on their loans, and that we have greatly damaged our own national wealth and welfare. How anyone can fail to see that it is essential that we increase our foreign trade in order to prosper here at home and help provide for our national security, while at the same time contributing to the prosperity and the well-being of the free world, I cannot understand.

It seems to me that the taxpayers of this country can very appropriately ask us why there is a movement in Congress this very day to cut down on our imports rather than expand them; why we keep gouging them for money to pay for aid to friendly nations, while at the same time requiring them to pay a much higher price for the goods which they

have to buy than they would have to if our imports were increased. They could also very appropriately ask why they should have to subsidize domestic industry through high tariffs and trade protection.

The prosperity of the free nations of the world is necessary for our own prosperity, and our own prosperity depends to a very great extent on wise foreign economic policies. If we put penalties on imports, we are at the same time putting penalties on exports. If we spend dollars on imports, we are at the same time creating a demand for exports.

The protectionists apparently do not realize, or at least do not seem to realize, that if we let our exports sink to the level of our imports, not only will there be stagnation on our farms and in our industries at home, but there will also be stagnation abroad. They do not seem to realize that the free nations of the world must trade in order to live, and that if they cannot trade with us, they will be forced to trade with the Soviet bloc to a great and likely damaging extent.

If they argue that a favorable balance of trade is an excess of exports over imports, how can they answer the fact that such a situation means that we are giving away a good part of our national wealth and refusing to accept payments in foreign goods in return?

Would they have us to continue indefinitely foreign economic aid? Would they have us reduce our domestic production? Would they have us continue the resulting tax burden on our already overburdened taxpayers? And must the taxpayers continue to subsidize protected industries in the United States?

Mr. Chairman, it is hard for me to believe that in this day and time it is necessary that these questions still be asked. However, they must be. The attempt in the bill which we are considering today to change the nonpartisan nature of the Tariff Commission so as to make it a political, partisan body is a step backward toward the protectionist days of Hawley and Smoot. The eyes of the free nations of the world are upon us, because of their concern about the action which we may take here today, and the adverse effect which it could have on them. The eyes of the communistic countries of the world are upon us today, because they are hoping that we will take this backward step which we are being urged to take.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, if ever there was a time when it was important for the United States to have vigorous and loyal allies that time is now. In this atomic age the admonition to keep our powder dry means far more than building stockpiles of weapons and the airplanes to deliver them.

If we are to avoid a shooting war, if we are to guard our civilization against the complete corrosion of totalitarianism, we who believe in representative government by free men must win the battle for the hearts and minds of men. This is a battle that cannot be won by

radio propaganda telling others how good we think we are. It can be won only by example. We must demonstrate that we say what we mean and that we mean what we say.

It does no good—in fact, it does much harm—to preach economic cooperation and leadership in our major political speeches, while making day-to-day decisions that point in the opposite direction. The peoples of other lands will judge us by what we do rather than by what we say. Have we not, in fact, urged that the Iron Curtain countries be judged by what they do rather than by what they say? We are now confronted by a test of our own sincerity. What we do in our foreign trade policy will be far more effective than countless expressions of hope for international cooperation in general.

We have before us a bill to extend the Reciprocal Trade Agreements Act in its present form for another year, pending a thorough study of the problem of formulating an economic policy for the United States by a Commission to be created for the purpose. We have a choice to make: We can move backward, we can stand still, or we can move forward.

To move backward at this critical juncture in world affairs would be tantamount to dropping a spark in oil-soaked sawdust. If we legislate new shackles designed to make the lowering of international trade barriers even more difficult or likely than at present we shall give a clear signal to other free countries that they will have to go it alone. If we do not buy their goods, even while urging them not to trade with the Iron Curtain countries, with whom can we expect them to trade? Is the blame theirs, or is it ours, if because their goods are barred from our shores, they turn to such markets as they can develop? Although the bill before us would continue, at least nominally, the power of the President to negotiate trade agreements, it contains a builtin practical joker. It would expand the Tariff Commission from 6 to 7 members, thereby destroying that body's bipartisan character and transforming it into an arm of the administration. Such action would be directly contrary to the 37-year old philosophy of the Tariff Commission. That organization is supposed to be bipartisan in composition in order that it may advise Congress and the President on tariff and other commercial policy matters. To destroy the balance between its Republican and Democratic membership would be to destroy the Tariff Commission idea and to give the green light to the Tariff steamroller.

Our second choice is to move forward. That is what I should like to see this Congress do. The Reciprocal Trade Agreements Act should be restored to its original form and stripped of all crippling amendments. This Congress should do more than merely extend the act in its present emasculated form. Repeal of the peril-point and escape-clause amendments would go far toward uniting the western countries in a feeling of genuine economic cooperation. Even if we were not to make any new trade

agreements the very fact that we would have demonstrated by legislative action that we have no intention of moving backward along the road of intensified trade restriction would help allay the suspicions and the fears of the countries to the west of the Iron Curtain.

Our third choice is to renew the act in its present form, pending further study. Although such action would provide no guaranty that the United States is to move forward toward greater international economic cooperation, such action would signalize our intention of holding the line pending the formulation of a firm and enlightened national policy. Even if the President of the United States decides not to enter into any new trade agreements in the immediate future the authorization to do so would be there if world conditions should develop so as to make further negotiation desirable.

No one, in truth, can say that the reciprocal trade-agreements program has not been successful. The trade-agreements program, initiated in 1934, together with the other recovery measures initiated by the Roosevelt administration, halted the vicious contracting spiral of the American economy and world trade and restored the self-confidence of the entire Nation. It was like a breath of fresh air dissipating the dreary fog of the great depression.

From 1934 to 1945 the President was authorized, under the terms of the original Trade Agreements Act, to lower duties to 50 percent of their 1930 levels in exchange for concessions by other countries in favor of our exports. In 1945 this power was extended, making it possible for the President to reduce rates to 50 percent of their 1945 levels.

Between 1934 and 1947, the first 13 years of the life of the Trade Agreements Act, the President concluded 29 bilateral agreements. In 1947, the United States, together with 22 other countries, held the first multilateral conference for the reduction of tariff barriers at Geneva, Switzerland, from which emerged the Geneva Agreement on Tariffs and Trade. Since then a number of other countries have acceded to the agreement so that it now has 34 contracting parties whose trade accounts for approximately four-fifths of the world's total. In exchange for the 2,500 rates which the United States has either decreased, or bound against increase, we have received many valuable export concessions.

In 1942, with the war emergency at hand, the administration introduced an escape clause into all new trade agreements. It was a true escape clause in that it opened the way for modification of concessions if increases in imports resulting from any trade-agreement reduction in rate brought about unforeseen injury. Always, however, the final decision was that of the President, who judged such modification in the light of the national interest.

The 80th Congress, and later the 82d, saw fit to write into the law the so-called peril-point provision which requires that the Tariff Commission perform the magician act of notifying the President, in advance, of the limits to

which he might go in lowering tariffs without leading to injury to domestic producers. What a thousand Solomons could not possibly do the Tariff Commissioners are commissioned by law to do. Small wonder that their recommendations are supersafe and conservative.

The 82d Congress added the new escape-clause provision which puts the President right on the hot seat whenever he dares to overrule, even in the national interest, a finding of the Tariff Commission that some producer somewhere has been hurt, or might be hurt, by imports. And now the forces of reaction want to go even further and take away from the President even the power to veto the recommendations of the Tariff Commission. Those who reason this way see no difficulty in the fact that, even though the President has the power to veto an act of the full Congress, he would by such legislation be denied the right to veto acts of the Tariff Commission, which is a creature of the Congress.

Mr. Speaker, let us not be fooled by pious expressions of concern for the welfare of producers. The tariff diehards would improve the Trade Agreements Act by perfecting amendments. They would not slug the act to death with a broad-ax. Never. They would slit its throat with a sharp razor blade.

The fact remains that no important trade agreements have been negotiated while the peril-point and escape-clause amendments have been in effect. If we really desire to liberalize world trade we shall have to legislate workable legislation. The present act is not workable and neither is the bill before us. A vigorous program requires vigorous legislation, the kind that we had under the original Reciprocal Trade Agreements Act as inspired by that great world-trade leader, Cordell Hull.

Mr. Chairman, the present law is bad enough without making it worse by making the Tariff Commission a partisan body. It was not necessary for the Republican leaders to go to this extent. The 10 Democratic members of the Ways and Means Committee favored the extension of the present law, and all that was necessary for President Eisenhower and the Republican leaders was to get 3 of the Republican members of the committee to vote for such an extension.

Instead, political expediency was employed and the result, a further marked weakening of reciprocal trades agreements legislation.

And this comes at a time when the Soviet Union is making a determined effort to drive a wedge between the free countries of the world, and the main weapon they are using now is the economic appeal, for we know that the Soviet Union and Communist China are making attractive offers for trade.

On this morning we see in the New York Times a news item from Europe, and I quote:

The Kremlin clearly hopes that the reduction of the United States dollar assistance abroad and the maintenance of the United States tariff barriers preventing the growth of a "trade, not aid" policy will force Europe to develop commerce with the Eastern bloc.

Several months ago all we heard about was "trade not aid." Anyone with common sense knew there was nothing to that, for it was nothing but another deceiving slogan. Everyone knows now it is so. Whatever action will be taken to enable proper international trade to take place, which is most desirable, and which will not be injurious to our own economy will be through the passage of an effective law enabling reciprocal trade agreements to be enacted, and the making of such agreements. The customs simplification act will also be helpful. And yet, in addition to the peril-point and escape-clause provisions of the present law the attempt is being made to make the Tariff Commission a partisan board. This will have a serious effect on all existing trade agreements. If we do not remove unnecessary barriers and permit friendly countries to trade with us we force them to trade elsewhere. In the world of today this action is not in the national interest of our country.

Throughout the past 37 years there has been more than a gentleman's agreement that the Tariff Commission should be bipartisan, 3 Democrats and 3 Republicans. The 64th Congress which was composed of 228 Democrats, 197 Republicans, and 9 others in the House, and 56 Democrats and 40 Republicans in the Senate, established this bipartisan commission. In the 71st Congress in 1930, consisting of 267 Republicans, 163 Democrats and 1 other in the House; and 56 Republicans, 39 Democrats, and 1 other in the Senate, an effort was made to increase the membership to 7. That effort failed. During the past 20 years no effort was made by Democratic administrations to increase the membership. It was not even thought of.

There should be enough independent Republicans to stop this from going through today. You will remember that not so many years ago there were only 89 Republican Members in the House, yet we Democrats did not even think of doing this at that time.

There were compelling reasons in 1916 why this Commission was made bipartisan that are just as compelling, and more so, today. It was then and is now recognized:

(a) That the setting of rates is a scientific national and international question and not purely a political matter.

(b) That tariff rates being of vital importance to our country, and now of future peace, should not be subjected to manipulation on a political basis.

(c) That the Commission should be so constituted that the members could resist the power and influence of pressure groups seeking special privileges or considerations at the expense of the country as a whole, and more broadly of our international interest.

(d) A Commission that could look at the whole economic situation on questions coming before it in an objective manner.

(e) That the Tariff Commission to enjoy confidence must be above politics.

(f) The most effective way to accomplish the maximum beneficial results was to have a bipartisan and not a partisan Commission.

Throughout the past 20 years we Democrats felt the best interests of our country in the field of tariff rates within the limits prescribed by law would be best served by a bipartisan Commission. Despite the fact our leaders have not been consulted much to date during this present term and by the present administration, the Democrats in Congress are giving President Eisenhower bipartisan support.

There is an old saying that "action speaks louder than words." The majority party has the responsibility of showing by its actions it wants that bipartisan support to continue.

This move is a message to the Democrats that years of custom, or what might be termed more than a gentleman's agreement going back to 1916 is meaningless to the Republican leadership, that they will use us, but arbitrarily disregard the Democrats whenever political expediency within their own party dictates it.

That is an action which will destroy bipartisan support, for bipartisan support must work both ways.

The leadership for bipartisan support must come from the majority party, by the doing of those things, the regard for the feelings, and the position of the minority party, that will justify and result in bipartisan support.

The increase in the membership of the Commission is disruptive of bipartisan support.

Everyone knows the reason for this and practically every Member knows it is wrong. While it might have been necessary to get the bill out of the committee, this does not mean that the House is bound by any actions or agreements based on expediency. The bill is now before the House.

A vote for the national interest of our country and at the same time a vote that will strengthen, not disrupt, the bipartisan support in Congress that President Eisenhower wants, that he is seeking, that he is getting to date, will be a vote for a bipartisan 6-member Commission and not for a partisan 7-member Commission.

As I said before, we all know the reasons for this. We know it is a compromise, we know it is based upon expediency and we know it is a compromise between Republicans. Yet since 1916 with Democratic Congresses and Republican Congresses in power this six-man body has continued. We now come to a time when the world is faced with great danger—atheistic communism. We have had this bipartisan Commission for 37 years. We need it just as much today, probably more so than at any time during the past 37 years.

Why not let us go forward, Republicans and Democrats, working in unity and in bipartisan support of those matters that are in the interest of our Nation, not in support of Dwight Eisenhower, as leader of the Republican Party but of Dwight Eisenhower as the President of the United States.

This action today is nothing but a message to the Democratic Party: We will use you and we will abuse you.

Mr. REED of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Chairman, I am very happy that this bill carries a provision for a commission to study foreign trade. There are many things such a commission should go into. I would like to mention at least three of them.

I hope that they will develop the facts that will assist in restoring the traditional trade patterns of the world. Those patterns have practically disappeared by reason of wars and state trading. There was a time when the American farmer had an opportunity to feed a part of the millions of people in Europe. That market has gone unless you consider the giving away of your merchandise as trade.

The second thing I hope they will go into is the matter of ascertaining whether or not in our trade agreements programs of recent years we have not sacrificed our agricultural markets for industrial markets. There are many who believe that in the expansion of our industrial markets we have gone to countries that produce practically nothing but raw materials, and in order to make a market for America's industry they have sacrificed the agricultural market and have unduly encouraged farm imports. Many farm leaders believe that.

Mr. Chairman, I hope that the study commission will bring in a report that will enable the carrying out of a program that does not sacrifice one segment of American economy for another segment. And, the third point that I hope they will cover is this: That they will do something to reduce the trade barriers of the world. There are more barriers to trade now than have ever existed at any time in the history of our country. I refer to state trading quotas, embargoes, sterling blocks, Empire preferences, currency manipulations, and the many other practices which are today preventing a free flow of commerce.

(Mr. CURTIS of Nebraska and Mr. MASON asked and were given permission to revise and extend their remarks.)

Mr. REED of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I have made extensive speeches on the floor of the House in the past against reciprocal trade agreements. I am not going to make an extensive speech at this time. I am going to, however, try to prove to this committee that there is at least one man in the House that is not confused on the issues.

Mr. Chairman, in January 1937, as a new Member of this House, I was 1 of 13 who voted "no" against the extension of the reciprocal trade agreements for a 3-year period. That was the first extension asked. I have voted "no" on every extension since, and I expect to vote "no" on this extension. So, so far as I am concerned, I may be mistaken, but I am certainly not confused on the issues.

Now why have I been voting "no" all through the years? Well, as I read the

blueprint outlining the functions of this Government I find in that blueprint that the function of the legislative branch of the Government is to decide upon and arrange and levy tariffs. So, I have been opposed to the reciprocal trade agreements all through the years because I claim it is a direct violation of the Constitution of the United States for the legislative branch to turn over to the executive branch the responsibility and the obligation that duly belongs upon our shoulders. That is fundamental with me, and that is the reason.

Now, about the Simpson bill that is before us, I actually told the gentleman from Pennsylvania [Mr. SIMPSON] when he presented his first bill to us, with all of those restrictions as well as quotas in it, "Dick, I will vote for this bill because it is a step back toward the Congress assuming its proper functions." Since then all restrictions have been removed from the bill that is now before us therefore I will vote "no" on the bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, as is apparent to the membership, there is really only one item of controversy in this bill and that relates to the membership of the Commission.

Listening to the debate, I have been quite intrigued to hear the Democrats speak out with such great concern over the Tariff Commission, because fundamentally their concern in the past has been only one of weakening the Tariff Commission and subjugating it to the State Department. As far as the trade agreements and our tariff policy are concerned, they have always wanted the tariff policy to be out of the picture. They have wanted the tariff policy and trade policy determined not by the Tariff Commission but by the State Department.

You remember the debates in the 80th and 81st Congresses when we attempted to establish the peril point and escape clauses and give the Tariff Commission some real responsibility and functions. They fought it. "We do not want the Tariff Commission anyplace in this picture." That really was the word that went out. They have not changed their position. They still do not want a strong and effective Tariff Commission. That is why they want to keep it in a position where it can function with the least effectiveness, namely, as a six-man Commission. They would enjoy seeing the Tariff Commission stalemated by 3 to 3 decisions.

I am tempted to wonder somewhat when I hear the gentleman from Massachusetts crying about who is going to have control of this Commission. In the first place, let us remember that no matter what party labels they might have or what we might say in the law, it is the President of the United States that appoints the members of the Commission. Certainly they cannot contend that increasing the membership is going to make it more difficult for the President

of the United States. Who is going to appoint the additional man? The President of the United States.

As the situation exists today what we have is a Commission four of whose members are appointees of prior administrations. They carry over. No matter what we do, we will have four members who were appointed either by President Truman or by President Roosevelt. That means that even with a 7-man Commission 4 of the members will have been appointed by previous Democrats. I am not criticizing any members of the Tariff Commission, but let me say that only 2 members of the Tariff Commission are being appointed by President Eisenhower. One appointment has been made. There is a Republican vacancy which he can fill at this time. I cannot help but feel that the real and underlying reason the Democratic spokesmen oppose increasing the membership of the Commission is that they do not want to disturb the 4 to 2 division of the committee—4 members appointed by Democrat Presidents, 2 members appointed by a Republican President.

It is only reasonable and proper that the membership of this Commission should be increased from 6 to 7.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I am not in complete harmony with the provisions of the bill H. R. 5495. I am opposed to the President's request for an extension of 1 year. However, I do believe that as far as the legislative and executive branches of the Government are concerned, they should be kept apart. They should make their own studies.

As far as changing it from a 6- to a 7-man membership is concerned, I believe it is in the best interest of our Nation that we should have a decision on all of the questions that arise before the Tariff Commission.

I am not one that cannot compromise my thinking. Therefore, I am going to support H. R. 5495.

Mr. COOPER. Mr. Chairman, I yield the remaining time on this side to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, this to me has been a very interesting debate and one on rather a high level. Some speeches on my right have been made that I would like to adopt as my own, because I think the Members who made them have gone into this matter from a very deep and fundamental standpoint.

We must debate this change from a 6- to 7-man membership during general debate because under the circumstances there can be only 5 minutes on a side when the amendment is offered to strike this 7-man provision out of the bill.

I heard a gentleman over here, I think it was the gentleman from Massachusetts [Mr. BATES], talking about these bipartisan commissions and the votes thereon. I happened to have a part in the creation of the Federal Power Commission, the Federal Trade Commission, and the Federal Securities and Exchange Commission. I happen to be the author of three of the laws that the Securities and Exchange Commission administers.

There was a reason for that—a good reason. It was so that every section of the country and all ideas concerning these matters should be represented on the various commissions. But that does not stand on all fours with the tariff Commission at all. They deal entirely with matters domestic—nothing foreign. This Tariff Commission and this reciprocal trade bill we are considering this afternoon deal with far-reaching, fundamental, worldwide, and sometimes world-shaking problems. For 37 years, since 1916, under 25 years of Democratic administration and 12 years of Republican administration, no President of our country has ever advocated that this Commission be other than a 6-man Commission; that no more than 3 from either party be members of this Commission at the same time.

We heard a great deal in recent years about packing boards and commissions and courts. It rang through these Chambers and throughout the length and breadth of the country that a President of the United States wanted to pack the Supreme Court of the United States. Well, there has never been in the history of legislation a more deliberate attempt to subvert the original ideas that came into being with the creation of the Tariff Commission than what we are going to vote on in this House in a little while.

I read the President's message on taxation. The first two paragraphs of it contained deep criticisms of the administrations that preceded his. Of course, we have a deficit. We have an unbalanced budget for 1953 and we are going to have one a great deal more out of balance in 1954 and worse out of balance in 1955. We have to keep up trade and commerce with all the world in order to keep up the national income of this country and to have our people able to pay taxes. We have to have an income from the farm and the factory to be able to pay taxes to the greatest business in the world—the business of the United States of America. I want to say to the President with reference to this very partisan message, which he sent up here on the tax bill, that if I have ever known an administration in 40 years where the composition of the other body and of the House of Representatives required nonpartisan cooperation, this present Republican administration needs it more than any administration I have ever known. Just to be constantly criticized on the floor of the House and in other places including the other end of the avenue for the things that have been done in the past does not set very well with some of us who want to cooperate with any President who occupies the White House because we do not hate Republicans in the White House like a lot of people hated Democratic Presidents in the White House in the past. I feel bad to hear and read some of the things which were said about Democratic Presidents not only politically but personally in the past. We want to cooperate. That is why we are voting for this bill today. We think reciprocal trade arrangements will save our country. I do not see how anyone, with world conditions what they are, and since we have become a great surplus-producing coun-

try, can think that we could possibly operate under the provisions of the old Smoot-Hawley Tariff Act. The gentleman from Tennessee talked about trade that we have had with the world and how much it has increased since we started working under the Reciprocal Trade Agreements Act. The gentleman from Massachusetts [Mr. McCORMACK] and others called attention to what this means. It is going back on the very thing for which the Tariff Commission was created. It was a nonpartisan or no-partisan Tariff Commission. As the gentleman from Wisconsin [Mr. BYRNES] said a while ago, we needed a decision from that Commission. That Commission has been split a few times, but there has never been a 3-to-3 vote on a matter involving the escape clause.

So I think, as we come to a vote on this matter, if I were in the majority I would not do this to the Tariff Commission, and I hope that enough gentlemen on the other side will join us to carry this out as it was originally intended.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. REED of New York. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I have heard a lot of statements made on the Democratic side—maybe they are made in good faith, I do not know—statements that this administration is not doing very well, and that it is not doing so well with the Congress. Let me just say to you gentlemen that we are getting along all right. We are proceeding with our program and we are proceeding with it today. And here again you will see that degree of cooperation between this Republican Congress and the Republican administration that is going to characterize everything we are going to do.

Of course, I want to say to the people on our side of the aisle that nothing would please the Democrats better than to see us divided and fighting with one another. But it just has not been that way and it is not going to be that way.

In this measure I am supporting the administration position. And let me say that there was no dictation about it. I was present at the White House when this whole matter was discussed.

Let me say to you that this proposition, as it stands today, with the addition of a member to the Tariff Commission, is in line with the administration position and completely acceptable to them.

May I also say that I think it is a completely reasonable position which all of us can support.

The people on my right ought to recognize, as I recognize, that no one ever gets his way completely in legislation. To listen to this argument some might say that the addition of another member to the Tariff Commission is going to destroy the whole reciprocal trade agreements program. Ultra protectionists say it does not mean anything at all. I think that probably in the middle lies something near the truth.

As far as the addition of a member is concerned, it is not going to wreck any program. But I will tell you what

it will do. It will provide a situation under which, to some degree at least, there may be a reflection of the views of the President of the United States.

The Members on the Democratic side talk about how they are supporting President Eisenhower, and once in a while they do—principally when it suits their own convenience or their own situation. But if they are talking about supporting him, as the gentleman from Wisconsin [Mr. BYRNES] pointed out, the President should be allowed to appoint this additional member to the Tariff Commission. So, necessarily, that man must be acceptable to him and will reflect his views. So what are you concerned about? Why all the to-do about it?

As a matter of fact, as the gentleman from Pennsylvania pointed out, the duties of the Commission have been broadened. And I might say, parenthetically, that the present Reciprocal Trade Agreements Act is substantially as it was enacted by the Republican 80th Congress.

In view of the broadening of the powers of the Tariff Commission; in view of the fact that certainly the Eisenhower administration should have in some measure some authority in respect to the political and economic problems before the country. For those reasons I say the addition of a member to the Tariff Commission is justified.

The criticism has been made of the fact that the administration did not come down here and right away, before the Secretary of Commerce had hardly taken his oath, come out with a full-fledged, full-blown, far-reaching foreign economic policy covering all phases of the problem.

Now let me just say to my friends on this side—or on either side—who may have thought that answers and information were not quite definite enough, the administration has taken over a tremendous job. There was some controversy about how much of a mess there was before the election, but, believe me, as we have been looking into some of it, it really was as bad as anyone suggested. There have been tremendous things to do and you could not expect the administration to come up here immediately with a fulfilled policy. So what have they done? They have said to extend this program for a year and then we will create a commission to study this whole proposition, go into all the different angles and come up with recommendations which in the final analysis, may I say to my colleagues on the Ways and Means Committee, will come to them for their final determination. To my mind that is a completely sensible and reasonable approach; it is in compliance with the administration program. I cannot see how it can do harm to anybody's deep convictions. That being the situation, I hope that the amendment that is to be offered will be defeated, and I hope this measure will go on to passage in order that it may go to the other body, action be had on it there, and we get on with the other business before the Congress.

As to the Republican position generally on foreign trade, let me read from the

platform—and I think we can all subscribe to this. This is what the administration seeks to do:

We favor the expansion of mutually-advantageous world trade. To further this objective we shall press for the elimination of discriminatory practices against our exports, such as preferential tariffs, monetary license restrictions, and other arbitrary devices. Our reciprocal trade agreements will be entered into and maintained on a basis of true reciprocity, and to safeguard our domestic enterprises and the payrolls of our workers against unfair import competition.

The CHAIRMAN. The time of the gentleman from Indiana has expired, all time for general debate has expired. Under the rule the bill is considered as having been read for amendment.

The bill reads as follows:

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1953."

TITLE I—FOREIGN-TRADE AGREEMENTS

SEC. 101. Extension of authority.

The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of one year from June 12, 1953.

SEC. 102. Time for certain reports by Tariff Commission.

The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1364) is hereby amended by striking out "1 year" and inserting in lieu thereof "9 months." In the case of any application made under such first paragraph before the date of the enactment of this act, the United States Tariff Commission shall make its report not later than whichever of the following is the earlier: (1) 1 year after the application was made, or (2) 9 months after the date of the enactment of this act.

TITLE II—UNITED STATES TARIFF COMMISSION

SEC. 201. Membership and terms of office.

(a) In general: Subsections (a) and (b) of section 330 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1330), are hereby amended to read as follows:

"(a) Membership: The United States Tariff Commission (referred to in this title as the 'Commission') shall be composed of seven Commissioners appointed by the President by and with the advice and consent of the Senate. No person shall be eligible for appointment as a Commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the laws administered by the Commission. Not more than four of the Commissioners shall be members of the same political party.

"(b) Terms of office: The term of office of a Commissioner shall expire 7 years from the expiration of the term for which his predecessor was appointed; except that any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Effective date: Notwithstanding section 330 of the Tariff Act of 1930, as amended by subsection (a)—

(1) the term of office of any Commissioner in office on the date of the enactment of this act, and the term of office of any Commissioner appointed to fill a vacancy in a term of office which commenced before such date of enactment, shall expire at the time pro-

vided therefor by such section 330 as in effect on the day prior to such date of enactment;

(2) the term of office of the Commissioner appointed to succeed the Commissioner whose term of office expires June 16, 1953, shall expire at the close of June 16, 1959; and

(3) the first term of office of the additional Commissioner provided for by the amendment made by subsection (a) shall expire at the close of June 16, 1960.

TITLE III—ESTABLISHMENT OF COMMISSION ON FOREIGN ECONOMIC POLICY

SEC. 301. Establishment of the Commission.

There is hereby established a bipartisan commission to be known as the Commission on Foreign Economic Policy (in this title referred to as the "Commission").

SEC. 302. Membership of the Commission.

(a) Number and appointment: The Commission shall be composed of 17 members as follows:

(1) Seven appointed by the President of the United States;

(2) Five appointed from the Senate by the Vice President of the United States; and

(3) Five appointed from the House of Representatives by the Speaker of the House of Representatives.

(b) Political affiliation: Of the first class of members specified in subsection (a), no more than 4 members shall be from the same political party. Of the second and third classes of members specified in subsection (a), no more than 3 members from each class shall be from the same political party.

SEC. 303. Organization of the Commission.

The President shall designate the member of the Commission who shall be the Chairman, and the member who shall be the vice chairman.

SEC. 304. Quorum.

Four members of the class specified in paragraph (1) of section 302 (a), 3 members of the class specified in paragraph (2) thereof, and 3 members of the class specified in paragraph (3) thereof shall constitute a quorum; but a lesser number may conduct hearings.

SEC. 305. Compensation of members of the Commission.

(a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall receive not to exceed \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 306. Staff of the Commission.

(a) Appointment of personnel: The Commission may appoint such personnel as it deems advisable, without regard to the civil-service laws, and shall fix the compensation of such personnel in accordance with the Classification Act of 1949, as amended. The Commission may procure temporary and

intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed \$75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and make reasonable advances to such persons for such purposes.

(b) Certain laws not to apply: Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such persons within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

SEC. 307. Expenses of the Commission.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. Report—Expiration of the Commission.

(a) Report: Within 60 days after the 2d regular session of the 83d Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) Expiration of the Commission: Ninety days after the submission to the Congress of the report provided for in subsection (a) of this section, the Commission shall cease to exist.

SEC. 309. Duties of the Commission.

(a) In general: The Commission is directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility, and foster the highest possible levels of trade consistent with the national security and a strong domestic economy.

(b) Certain of the matters to be considered and reported on: Without limiting the general scope of the direction to the Commission contained in subsection (a), the Commission shall consider, and shall report on, the following matters:

(1) (A) Applicable provisions of the Constitution of the United States;

(B) Laws, regulations, and practices of the United States relating to international trade, including such matters as tariffs, customs, customs administration, trade agreements, peril-point and escape procedures, opinions and decisions thereon of the United States Tariff Commission and the President, import and export quotas, monetary licenses, countervailing duties, and procurement preferences;

(C) Departments, agencies, boards, commissions, bureaus, and other instrumentalities of the United States having jurisdiction over, or dealing with, these matters;

(D) Laws, regulations, and practices and official instrumentalities of other nations concerned with similar subject matters;

(E) Pertinent statistics on international trade; and

(F) Balance of payments, nation by nation; and the causes and effects of, and proposed remedies for, excessive imbalances.

(2) Relationship of our foreign economic policies to, and their influences on, our total foreign policy; and the proper relationship of each to the other.

(3) Effect of our foreign aid and military defense programs on international trade and international balance of payments.

(4) Foreign markets of trading nations—extent and nature; and the effect thereon of wars, other emergencies, technological advances, international relations, and other pertinent factors.

(5) International instrumentalities, organizations, and agreements and practices affecting trade, such as the General Agreement on Tariffs and Trade, Customs Unions, Organization for European Economic Cooperation, International Wheat Agreement, cartels, European Payments Union, European Coal and Steel Community, and International Monetary Fund.

(6) Foreign investment capital and the flow of investment capital between nations—need thereof—restrictions thereon—inducements necessary to encourage—role of the Export-Import Bank and of the International Bank for Reconstruction and Development.

(7) Effects on international trade of factors such as costs of production and pricing, labor practices and standards, general living standards, currency manipulation, inconvertible currencies, official inflationary policies, currency devaluations, exchange controls and licenses, quotas, embargoes, dumping and pricing practices, multiple currencies, bilateral trade agreements, barter arrangements, customs procedures, marking and transit problems, concealed regulations of exports and imports, preferential tariff systems, most-favored nation treatment, government monopolies, state-controlled economies, state trading, and state-subsidized trading.

(8) Effect of existing and proposed trade policies on the promotion of peace and security and the betterment of political, social, and economic life, domestic and foreign.

SEC. 310. Powers of the Commission.

(a) Hearings and sessions: The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and to sit and act at such times and places, within the United States or elsewhere, to take such testimony, and to make such lawful expenditures, as the Commission or such subcommittee or member may deem advisable.

(b) Obtaining official data.—The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the chairman or by the vice chairman when acting as chairman.

The CHAIRMAN. Are there any committee amendments?

Mr. REED of New York. There are none.

The CHAIRMAN. Are there any amendments which are permissible under the rule?

Mr. COOPER. Mr. Chairman, I offer an amendment permissible under the rule.

The Clerk read as follows:

Amendment offered by Mr. COOPER: On page 2, line 15, strike out all of title II, United States Tariff Commission.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, this amendment will strike out title II of the pending bill which is the Tariff Commission packing provision of this bill. It has been interesting to me to listen to some of the statements made here, and especially to the alibis offered by the distinguished gentleman from Indiana. The fact is that the Tariff Commission from its inception has always been treated, recognized, and maintained as a nonpartisan Commission. It was so created in 1916 under the administration of President Wilson in response to a message from him asking that the Commission be created.

One of the strongest witnesses who has ever appeared before the Ways and Means Committee in support of the reciprocal trade agreements program was the Republican Chairman of the Tariff Commission, Mr. Robert Lincoln O'Brien.

I remember well when he appeared before the Ways and Means Committee in January 1937, in support of the first extension of the Trade Agreements Act. He said that he had been a lifelong Republican, and called attention to the fact that he had voted the straight Republican ticket in the general election of 1936 from Landon on down. He casually remarked, "I voted with increasing enthusiasm the farther down the ticket I went."

Mr. O'Brien was appointed by President Hoover, he was reappointed by President Roosevelt. He was appointed by the President who signed the Smoot-Hawley tariff bill, he was reappointed by the President who signed the reciprocal trade-agreements bill. How can you have anything more nonpartisan than from Smoot-Hawley to reciprocal trade and from Mr. Hoover to Mr. Roosevelt? That certainly is as nonpartisan as anything can be.

The Tariff Commission has existed throughout the 37 years as a nonpartisan commission charged with the responsibility of finding the facts and reporting them. Under the law as it now stands the Tariff Commission has the duty to make these findings of fact and then report to the President under the escape clause provision. The President not only has the power and appoints the members of the Tariff Commission but under the law he can either accept or reject any recommendation that it makes. Even if the recommendation is unanimous he still has discretionary authority to completely reject that recommendation. So there is no reason for this effort here today to increase the Tariff Commission membership.

It has existed throughout all these years as a nonpartisan fact-finding body and that is the way it should continue to exist. That is the purpose of the amendment I have offered, to allow the Tariff Commission to continue as a nonpartisan agency, as it has been under all administrations of the past, Republican administrations and Democratic administrations, during Republican control of the Congress and during Democratic control of Congress. There has never been at any time a disposition on the part of the Congress to change the nonpartisan character of this Commission and it is

more important now than ever before that this Commission shall remain non-partisan and a fact-finding agency.

To change it now to a partisan political commission would simply mean that the effort will be made to change reciprocal trade agreements that have been negotiated in the past and that have been entered into. So I appeal to you on this occasion to stand by the historic principle that has been maintained through the years and retain this important Tariff Commission as a nonpartisan and as a fact-finding agency, so that this program may be carried on in the future as it has been in the past, in a nonpartisan manner.

Mr. Chairman, title II of the bill under consideration would increase the membership of the Tariff Commission from 6 to 7 members and provide that "not more than 4 of the commissioners shall be members of the same political party."

This provision would make a very drastic and basic change in the Tariff Commission. Ever since the establishment of a permanent Tariff Commission in 1916, the Congress has always intended that it be a nonpartisan, fact-finding body, and has been very careful to insure that it be kept this way.

I think it is very significant that this proposal is sponsored by those who have opposed the reciprocal trade agreements program from its very inception. They argue that this packing of the Tariff Commission is designed to avoid the possibility of an evenly split decision in escape clause proceedings. How they in good conscience can argue this I do not know, because the record shows that there has never been an evenly split decision of the Tariff Commission in escape clause proceedings. There has always been a finding of injury or of no injury by either a unanimous vote or a majority vote.

The real purpose of this proposal can be gathered from the very language in it, to the effect that "not more than four of the commissioners shall be members of the same political party." Regardless of all other arguments, it is an attempt to make the Tariff Commission a partisan body so that the sponsors who have been unable to defeat the purposes of the trade agreements program can, by packing the Commission, accomplish this by indirect means.

I would like to point out that under this bill the President would still recommend the appointment of members of the Commission, and he would still have his discretionary authority to accept or reject the Commission's recommendations. What could be gained by increasing the membership of the Tariff Commission in light of these two facts? It is doubtful that any claim could be fairly made that an additional member on the Tariff Commission would expedite the work of the Commission in arriving at decisions. It is certain that to make the Commission a political body will invite the filing of applications for relief, and in this way would automatically increase the burden of work on the Tariff Commission.

A seven-man Tariff Commission would very probably invite decisions based on political grounds rather than on merit.

Such decisions would be more open to rejection by the President than would be objective decisions.

A very big objection to making the Tariff Commission a political body is the uncertainty which would be created in the minds of other friendly free nations of the world as to the course our trade policy might take. They would never be able to expand their production and trade with any assurance that they would be able to secure a market in this country. Success in their attempts would invite retaliation from special-interest groups in this country.

I cannot believe that the Members on either side of the aisle can in good conscience go along with this proposal to make the Tariff Commission a political body, since the Congress has jealously guarded the nonpartisan, fact-finding nature of the Tariff Commission ever since its inception in 1916.

The determination of economic facts must be made by experienced, trained, and objective persons. Political considerations can have no legitimate part in such determinations.

Mr. BAILEY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BAILEY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. BAILEY. Mr. Chairman, may I preface my remarks by saying that I have no apology to offer my colleagues of the House for availing myself of this opportunity to say some things about the pending legislation that I was unable to say because of the type of rule under which this legislation is being presented. I would also remind my colleagues who represent districts similar to the one I represent, in which are found vast amounts of industry and of domestic producers that are harrassed by excessive imports, that there is nothing in this legislation as it is to be continued for 1 more year to relieve that situation. I would like also to make clear the position of the President of the United States on this particular matter, and I am quoting from his speech, The Eisenhower tax program, containing the full text of the President's May 19 address to the Nation:

We live in an age of peril.

We must think and plan and provide so as to live through this age in freedom—in ways that do not undermine our freedom even as we strive to defend it.

To watch vigilantly on the military front must never mean to be blind on the domestic front. In our present world—in this kind of prolonged tension and struggle—a crippled industry or a demoralized working force could be the equivalent of a lost battle.

Mr. Chairman, 2 years ago in the re-enactment and extension of the Trade Agreements Act, the Congress sought to lessen the discrimination and inequalities in our trade policies by writing into the new legislation the peril-point and escape-clause provisions. This comes about as the result of bipartisan action and represented a 2 to 1 majority.

The peril point fixed a floor below which rates on imports could not be lowered without imperiling the existing do-

mestic industries and the producers of farm and other products.

The escape clause went a step further and provided safeguards against injury or threat of injury to domestic producers, harassed by excessive foreign imports.

Instead of the relief expected, the most ardent supporters of these amendments were disappointed at finding the Tariff Commission so "packed" that most applicants never even qualified for hearings, and of those that did, a majority were rejected or the Commission was deadlocked on a 3 to 3 vote.

The Simpson bill, H. R. 4294, which the House Ways and Means Committee failed to report favorably, would have solved most of the shortcomings of the present Reciprocal Trade Act. One change in particular was important. The President's power to disregard the findings of the Commission has been abused in the case of the new treaty with the Republic of Venezuela where the then President exceeded his authority granted by the Congress to change the rate of import duties under certain limitations.

I want the RECORD to show that I am not basically opposed to the idea of the present reciprocal trade policies. What is needed is equal treatment of all domestic industries and producers so that impact of foreign imports will be spread equally and will not destroy the economy of any industry or cause the loss of employment in certain areas as is the case under the present law.

May I say to my colleagues that a joint resolution, which I shall sponsor with a Member of the Senate, will be introduced declaring the Venezuelan reciprocal trade agreement null and void on the ground that the President exceeded the authority granted him by the Congress in fixing the rates in that treaty.

I might also say to my colleagues that putting through this bill today in the manner in which it has been put over is not going to be the last that Congress hears of this matter. I can assure you that you are not going to have any peace or quietude around here so long as you let a condition exist that is developing in the coal industry, in the independent oil industry, and in the railroad industry of this country.

Since I appeared before the Committee on Ways and Means 3 weeks ago, in which I reported that 171 mines were closed in the State of West Virginia, there have been 16 additional mines closed. I have a list of 14 more that will close before the first of July. At that time there were 33,000 miners out of employment and 9,000 railroaders. At the present time there are more than 40,000 miners and probably 12,000 to 15,000 railroaders out of employment. The situation is growing worse day by day, and the Congress cannot disregard the situation affecting one of its basic industries that is so necessary in our defense effort.

Mr. CURTIS of Nebraska. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from West Virginia.

Mr. Chairman, the bill before us, H. R. 5495, is the President's program.

It ought to pass. The administration is supporting this measure. No quotation can be produced indicating the contrary.

The President and his official family are for this measure today, they are for it as written, for it as reported out of the Committee on Ways and Means, and for it in its form at this time.

I also call your attention to the fact that the Tariff Commission will continue to be a bipartisan commission. There is nothing in that language that takes that identity and that quality away from it. It will continue to be a commission where both major parties will be represented. The only change in the Tariff Commission is the change in size. Shall we have 6 or shall we have 7 members? In other words, it means the establishment of a Commission that can function, that can determine its administrative procedure, that can conduct a study and bring in a report without being stalled on dead center by the lack of a majority.

I ask you, of what value is any commission or any court that cannot render a majority opinion? It does not mean that in rendering a decision the majority will follow partisan lines. There is nothing in this proposal that says there must be 4 Republicans there. There will be, but this will be a permanent law for a long time. This is an improvement in the Tariff Commission, so that you can have a workable Commission.

A commission consisting of an equal number is not conducive to orderly procedure. Its findings leave matters open to question.

I also call your attention to the fact that this bill does not disturb the power of the President.

The President will still have the power and authority, after receiving a report from the Tariff Commission, to make his decision in the light of his information for the good of the country. But this change will enable the President to know the majority opinion of the Commission. If a 7 to nothing decision comes in, he can disregard it and take a course contrary to that decision. Any allegation that this is destroying a bipartisan commission of many years standing cannot be supported by any fact in logic or in truth whatever.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia [Mr. BAILEY].

The motion was rejected.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee [Mr. COOPER].

Mr. Chairman, I hope the amendment offered by the gentleman from Tennessee will be defeated. Frankly, I have been wondering for some time why it is that the opposition to the bill object to making the Commission 7 instead of 6. I believe I have an answer right now. The answer is that under Democratic administration, and particularly since June 16, 1952, there were three Democrats on the Commission and the President failed to fill the vacancies which would have equalized the membership at three from each party. Consequently, it was not nonpartisan. It has not been

nonpartisan. It has on the contrary been a definitely partisan Commission.

Mr. Chairman, it is no undertaking to freely admit that the party in power does have a responsibility whether it be in the field of Federal communications, in interstate commerce, or the Treasury, or in any department of our Government. The party in power does have a responsibility and that same responsibility applies to the party in power with respect to the Tariff Commission and this matter of foreign trade. Certainly the Republican Party is not going to run away from the position it has maintained for years, that we are a party that does guarantee to the American workingman a place to work and a place where his product may be sold in a free, competitive market. That is what our party stands for. It is one of the great party principles which has not been eliminated. It is one of the principles which I hope the party will ever maintain for unless we have a place for men to work, there will be no work for the workingman. I believe that by increasing the membership of the Tariff Commission from 6 to 7, and providing that no party shall have more than 4 of those 7 members, we are increasing the protection to the American workingman and to his employer in certain areas. In what areas? In those areas where today the American employer is forced to come to the Tariff Commission and beg for relief because his industry is being put out of business by reason of foreign competition. Each of you have in your respective congressional districts more than one, I venture to say, industries which today are endangered by foreign competition. I want to protect those jobs. I do not want to have to go home and say to a man who has been working in the mines, or to a man who has been working on the railroad, or who has been working in a textile mill, "Because your Congress has permitted the tariff to be cut so low, we are going to follow the recommendations of President Truman's Bell committee, and we are going to say to you, 'Mr. Miner, the time has come for you to give up mining. The time has come for you to go to school as Mr. Bell's committee recommended and to learn to do something else. The time has come for you to take up your family and move from the beautiful hills of Pennsylvania or West Virginia and go into some other State and there become a cog in that machine that we know as the mass-production business'." All that this bill does in this controversial section is to make a little bit more certain that there will be a little bit more protection for the employer who seeks to provide jobs for those men who live in your district and who want to continue to do the work for which they have been trained.

I hope—I hope earnestly—that you will oppose the amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not a fact that the purpose of inserting the so-called peril-point and escape clauses that we put in, in the 80th Congress, and which

have been retained in the law since that time, was to give that degree of protection to which the gentleman refers?

Mr. SIMPSON of Pennsylvania. Why, certainly.

Mr. HALLECK. Does it not follow, in view of the mechanics by which it operates, that the Tariff Commission must be responsive to the will of the Congress in that regard?

Mr. SIMPSON of Pennsylvania. The words in the law mean nothing whatever unless we provide the machinery by which they can be carried out. And we have failed to provide that machinery in recent years. Since June of 1952, there have been 13 cases rejected, where the employers had sought to get relief. And of those 13, 10 were passed when the membership of the Tariff Commission was other than equal.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman from Indiana [Mr. HALLECK] does not want the statement to stand that the peril-point and escape clauses have been in the law since the 80th Congress.

Mr. SIMPSON of Pennsylvania. They were put in by the 80th Congress. The Democrats immediately knocked them out when they came back into power in order to prevent protection to the American workingman. The Democrats knocked them out and we put them back in last year over the opposition of the majority of the Ways and Means Committee.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question now recurs on the amendment offered by the gentleman from Tennessee [Mr. COOPER].

The question was taken; and the Chair being in doubt, on a division, there were—ayes 115, noes 152.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOEVEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, pursuant to House Resolution 275, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Mississippi. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of Mississippi. I am.

The SPEAKER. The gentleman qualified. The Clerk will report the motion. The Clerk read as follows:

Mr. SMITH of Mississippi moves to recommit the bill H. R. 5495 to the Committee on Ways and Means with instructions to report the same back forthwith with the following amendment: On page 2, line 15, strike out all of title II, United States Tariff Commission.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. SMITH of Mississippi. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 185, nays 215, not voting 30, as follows:

[Roll No. 52]

YEAS—185

Abbitt	Fountain	Moulder
Abernethy	Frazier	Multer
Addonizio	Friedel	Murray
Albert	Fulton	Norrell
Alexander	Garmatz	O'Brien, Ill.
Andrews	Gary	O'Brien, Mich.
Ashmore	Gathings	O'Brien, N. Y.
Asplnall	Gentry	O'Hara, Ill.
Barden	Gordon	Passman
Barrett	Granahan	Patman
Battle	Grant	Pfost
Bennett, Fla.	Green	Pilcher
Bentsen	Gregory	Poage
Blatnik	Hagen, Calif.	Polk
Boggs	Hale	Preston
Boland	Haley	Price
Bolling	Hardy	Priest
Bonner	Harris	Rabaut
Boykin	Harrison, Va.	Rains
Brooks, La.	Hart	Rayburn
Brooks, Tex.	Hays, Ark.	Reams
Brown, Ga.	Hébert	Rhodes, Pa.
Buchanan	Heller	Richards
Burleson	Herlong	Riley
Byrne, Pa.	Heselton	Rivers
Camp	Holifield	Robeson, Va.
Campbell	Holtzman	Rodino
Canfield	Howell	Rogers, Fla.
Cannon	Ikard	Rogers, Tex.
Carlyle	Jarman	Rooney
Carnahan	Javits	Roosevelt
Case	Jones, Ala.	Selden
Celler	Jones, Mo.	Sheppard
Chatham	Jones, N. C.	Shuford
Chelf	Karsten, Mo.	Sieminski
Chudoff	Kelly, N. Y.	Sikes
Cooley	Keogh	Smith, Miss.
Cooper	Kilday	Smith, Va.
Crosser	King, Calif.	Spence
Davis, Ga.	Kirwan	Steed
Davis, Tenn.	Klein	Sullivan
Dawson, Ill.	Kluczynski	Sutton
Deane	Lane	Teague
Delaney	Lanham	Thomas
Dingell	Lantaff	Thompson, La.
Dodd	Lesinski	Thompson, Tex.
Dollinger	Long	Thornberry
Donohue	Lucas	Trimble
Donovan	Lyle	Tuck
Dorn, S. C.	McCarthy	Vinson
Dowdy	McCormack	Walter
Doyle	McMillan	Watts
Durham	Magnuson	Wheeler
Eberhart	Mahon	Wickersham
Edmondson	Marshall	Wier
Elliott	Matthews	Williams, Miss.
Engle	Metcalf	Wilson, Tex.
Evins	Miller, Calif.	Winstead
Fallon	Miller, Kans.	Yates
Feighan	Mills	Yorty
Forand	Morrison	Zablocki
Forrester	Moss	

NAYS—215

Adair	Ayres	Berry
Allen, Calif.	Bailey	Betts
Allen, Ill.	Baker	Blshop
Andersen,	Bates	Bolton,
H. Carl	Beamer	Frances P.
Andresen,	Becker	Bolton,
August H.	Belcher	Oliver P.
Angell	Bender	Bonin
Arends	Bennett, Mich.	Bosch
Auchincloss	Bentley	Bow

Bramblett	Hillelson
Bray	Hillings
Brown, Ohio	Hinsaw
Brownson	Hoeven
Broyhill	Hoffman, Ill.
Budge	Holmes
Burdick	Holt
Busbey	Hope
Byrd	Horan
Byrnes, Wls.	Hosmer
Carrigg	Hruska
Cederberg	Hyde
Chenoweth	James
Chlperfield	Jenkins
Church	Jensen
Clardy	Johnson
Clevenger	Jonas, Ill.
Cole, Mo.	Jonas, N. C.
Cole, N. Y.	Judd
Colmer	Kean
Coon	Kearney
Corbett	Kearns
Cotton	Keating
Coudert	Kelley, Pa.
Cretella	Kersten, Wis.
Crumpacker	Kilburn
Cunningham	Kling, Pa.
Curtis, Mass.	Knox
Curtis, Mo.	Krueger
Curtis, Nebr.	Laird
Dague	Latham
Davis, Wls.	LeCompte
Dawson, Utah	Lovre
Dempsey	McConnell
Derounian	McCulloch
Devereux	McDonough
D'Ewart	McGregor
Dondero	McVey
Dorn, N. Y.	Mack, Wash.
Ellsworth	Mailhard
Fenton	Mason
Ffost	Meader
Fisher	Merrill
Ford	Morrow
Frelinghuysen	Miller, Md.
Gamble	Miller, Nebr.
Gavin	Miller, N. Y.
George	Mollohan
Golden	Morano
Goodwin	Morgan
Graham	Mumma
Gross	Neal
Gubser	Nelson
Hagen, Minn.	Nicholson
Halleck	Norblad
Hand	Oakman
Harden	O'Konski
Harrison, Nebr.	O'Neill
Harrison, Wyo.	Osmers
Harvey	Ostertag
Hays, Ohio	Patterson
Hess	Pelly
Hiestand	Perkins
Hill	Phillips

NOT VOTING—30

Buckley	Hunter	Patten
Bush	Jackson	Philbin
Condon	Kee	Powell
Dies	Landrum	Rhodes, Ariz.
Dolliver	McIntire	Roberts
Fernandez	Machrowicz	Shelley
Fine	Mack, Ill.	Small
Fogarty	Madden	Whitten
Gwinn	Martin, Iowa	Wigglesworth
Hoffman, Mich.	O'Hara, Minn.	Willis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Willis for, with Mrs. Kee against.
Mr. Landrum for, with Mr. McIntire against.
Mr. Patten for, with Mr. Hunter against.
Mr. Madden for, with Mr. Bush against.
Mr. Fogarty for, with Mr. Dollinger against.
Mr. Whitten for, with Mr. Martin of Iowa against.
Mr. Roberts for, with Mr. Rhodes of Arizona against.
Mr. Fine for, with Mr. Hoffman of Michigan against.
Mr. Mack of Illinois for, with Mr. Jackson against.
Mr. Machrowicz for, with Mr. Gwinn against.
Mr. Philbin for, with Mr. Wigglesworth against.

Mr. Buckley for, with Mr. Small against.

Until further notice:

Mr. O'Hara of Minnesota with Mr. Dies.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOPER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 363, nays 35, answered "present" 1, not voting 31, as follows:

[Roll No. 53]

YEAS—363

Abbitt	Crosser	Hoeven
Abernethy	Crumpacker	Hoffman, Ill.
Adair	Cunningham	Holifield
Addonizio	Curtis, Mass.	Holmes
Albert	Curtis, Mo.	Holt
Alexander	Curtis, Nebr.	Holtzman
Allen, Calif.	Dague	Hope
Allen, Ill.	Davis, Ga.	Horan
Andersen,	Davis, Tenn.	Hosmer
H. Carl	Davis, Wis.	Howell
Andresen,	Dawson, Ill.	Hruska
August H.	Dawson, Utah	Hyde
Andrews	Deane	Ikard
Angell	Delaney	James
Arends	Dempsey	Jarman
Ashmore	Derounian	Javits
Asplnall	Devereux	Jensen
Auchincloss	D'Ewart	Johnson
Ayres	Dingell	Jonas, Ill.
Baker	Dodd	Jonas, N. O.
Barden	Dollinger	Jones, Ala.
Barrett	Dondero	Jones, Mo.
Bates	Donohue	Jones, N. O.
Battle	Donovan	Judd
Beamer	Dorn, N. Y.	Karsten, Mo.
Becker	Dorn, S. C.	Kean
Belcher	Dowdy	Kearney
Bender	Doyle	Kearns
Bennett, Fla.	Durham	Keating
Bentley	Eberhart	Kelly, N. Y.
Bentsen	Edmondson	Keogh
Berry	Elliott	Kersten, Wls.
Betts	Engle	Kilburn
Blatnik	Evins	Kilday
Boggs	Fallon	Kling, Calif.
Boland	Feighan	King, Pa.
Bolling	Fenton	Kirwan
Boiton	Fino	Klein
Frances P.	Fisher	Kluczynski
Bolton,	Forand	Knox
Oliver P.	Ford	Krueger
Bonin	Forrester	Laird
Bonner	Fountain	Lane
Bosch	Frazier	Lanham
Boykin	Frelinghuysen	Lantaff
Bramblett	Friedel	Latham
Brooks, La.	Fulton	LeCompte
Brooks, Tex.	Gamble	Lesinski
Brown, Ga.	Garmatz	Long
Brown, Ohio	Gary	Lovre
Brownson	Gathings	Lucas
Broyhill	Gavin	Lyle
Buchanan	Gentry	McCarthy
Burdick	George	McConnell
Burleson	Goodwin	McCormack
Byrne, Pa.	Gordon	McCulloch
Byrnes, Wls.	Graham	McDonough
Camp	Granahan	McGregor
Campbell	Grant	McMillan
Canfield	Green	McVey
Cannon	Gregory	Mack, Wash.
Carlyle	Gubser	Magnuson
Carnahan	Hagen, Calif.	Mahon
Carrigg	Hale	Malliard
Case	Haley	Marshall
Cederberg	Halleck	Matthews
Celler	Hardy	Meader
Chatham	Harris	Merrill
Chelf	Harrison, Nebr.	Morrow
Chenoweth	Harrison, Va.	Metcalf
Chlperfield	Hart	Miller, Calif.
Chudoff	Harvey	Miller, Kans.
Church	Hays, Ark.	Miller, Md.
Clardy	Hébert	Miller, Nebr.
Cole, N. Y.	Heller	Miller, N. Y.
Colmer	Herlong	Mills
Cooley	Heselton	Morano
Coon	Hess	Morrison
Cooper	Hiestand	Moss
Corbett	Hill	Moulder
Cotton	Hillelson	Multer
Coudert	Hillings	Mumma
Cretella	Hinsaw	Murray

Nelson	Robeson, Va.	Thompson,
Nicholson	Robson, Ky.	Mich.
Norblad	Rodino	Thompson, Tex.
Norrell	Rogers, Colo.	Thornberry
Oakman	Rogers, Fla.	Tollefson
O'Brien, Ill.	Rogers, Mass.	Trimble
O'Brien, Mich.	Rogers, Tex.	Tuck
O'Brien, N. Y.	Rooney	Van Pelt
O'Hara, Ill.	Roosevelt	Van Zandt
O'Neill	Sadlak	Velde
Osmers	St. George	Vinson
Ostertag	Schenck	Vorys
Passman	Scherer	Vursell
Patman	Scott	Wainwright
Patterson	Scrivner	Walter
Pfost	Scudder	Wampler
Pulcher	Seely-Brown	Warburton
Pillion	Selden	Watts
Poage	Sheehan	Weichel
Poff	Sheppard	Westland
Polk	Shuford	Wharton
Preston	Sieminski	Wheeler
Price	Sikes	Wickersham
Priest	Simpson, Ill.	Widnall
Prouty	Simpson, Pa.	Wier
Rabaut	Smith, Va.	Williams, Miss.
Radwan	Smith, Wis.	Williams, N. Y.
Rains	Spence	Wilson, Calif.
Ray	Springer	Wilson, Ind.
Rayburn	Stauffer	Wilson, Tex.
Reams	Steed	Winstead
Reece, Tenn.	Stringfellow	Withrow
Reed, N. Y.	Sullivan	Wolcott
Rees, Kans.	Sutton	Wolverton
Regan	Taber	Yates
Rhodes, Pa.	Talle	Yorty
Richards	Taylor	Young
Riehlman	Teague	Younger
Riley	Thomas	Zablocki
Rivers	Thompson, La.	

NAYS—35

Bailey	Gwinn	O'Konski
Bennett, Mich.	Hagen, Minn.	Perkins
Bishop	Hand	Phillips
Bow	Harden	Reed, Ill.
Bray	Harrison, Wyo.	Saylor
Budge	Hays, Ohio	Secret
Busbey	Jenkins	Shafer
Byrd	Kelley, Pa.	Short
Clevenger	Mason	Smith, Kans.
Cole, Mo.	Mollohan	Staggers
Golden	Morgan	Utt
Gross	Neal	

PRESENT—1

Smith, Miss.

NOT VOTING—31

Buckley	Jackson	Philbin
Bush	Kee	Powell
Condon	Landrum	Rhodes, Ariz.
Dies	McIntire	Roberts
Dolliver	Machrowicz	Shelley
Ellsworth	Mack, Ill.	Small
Fernandez	Madden	Whitten
Fine	Martin, Iowa	Wigglesworth
Fogarty	O'Hara, Minn.	Willis
Hoffman, Mich.	Patten	
Hunter	Pelly	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Landrum for, with Mrs. Kee against.
Mr. Dies for, with Mr. Smith of Mississippi against.

Until further notice:

Mr. Bush with Mr. Powell.
Mr. Ellsworth with Mr. Fernandez.
Mr. Hunter with Mr. Roberts.
Mr. Jackson with Mr. Buckley.
Mr. McIntire with Mr. Fine.
Mr. Martin of Iowa with Mr. Shelley.
Mr. O'Hara of Minnesota with Mr. Whitten.
Mr. Pelleg with Mr. Willis.
Mr. Rhodes of Arizona with Mr. Patten.
Mr. Small with Mr. Mack of Illinois.
Mr. Wigglesworth, with Mr. Madden.

Mr. SMITH of Mississippi. Mr. Speaker, I have a live pair with the gentleman from Texas, Mr. DIES. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND
REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on June 15, 1953, the President approved and signed a bill of the House of the following title:

H. R. 4664. An act making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes.

SHOWING OF VOICE OF AMERICA
FILMS

(Mr. LANHAM asked and was given permission to address the House for 1 minute.)

Mr. LANHAM. Mr. Speaker, on tomorrow afternoon at 5 o'clock in the caucus room of the Old House Office Building, the State Department has agreed to show two moving-picture films entitled "With These Hands" and "The Local Union." They are showing these at the request of the Georgia delegation. We had our attention called to these films with certain criticisms of the Voice of America for using them. The State Department tells me that other delegations have called about the films. So this announcement is made in order that any person who has had complaints about the films, and would like to see them for himself or herself, can see what these films are about. The showing will be held tomorrow afternoon, Tuesday, June 16, in the caucus room at 5 o'clock.

DOCTORS' DRAFT ACT

Mr. SHORT. Mr. Speaker, I call up the conference report on the bill (H. R. 4495) to amend the Universal Military Training and Service Act, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 11, 1953.)

Mr. SHORT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in a brief explanation of the conference report at this point.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, because of the tremendous interest shown by the membership, as well as by the general public, I would like to take this opportunity to explain just what the conference report does with respect to the drafting of doctors.

There were six areas of difference between the House and Senate versions of H. R. 4495. Four of them were minor. The Senate eliminated "active duty for training" from the definition of active duty and active service and we accepted this amendment, but protected those serving now on active duty for training.

The Senate amended the bill so as to provide for an oath of obedience for aliens, since aliens may now be commissioned as doctors under the bill. Since it would be unfair to require an alien to take an oath of allegiance to the United States and thus endanger his citizenship with his own country, we agreed to this change.

The Senate also closed a possible loophole for certain doctors who might otherwise enter on active duty with the Public Health Service and thereafter leave after only a few days and be placed in priority IV. We agreed to this amendment which closes that loophole. It must be remembered that there is no authority existing in law to keep Public Health Service doctors on active duty, without their consent.

Then, the Senate amended the bill so as to provide that service with the Panama Canal Health Department would be counted as active service, for the purposes of the doctors' draft law. This is only applicable to five persons. The evidence indicated that there were unusual circumstances surrounding these cases and that simple justice and equity required that this service be credited. We are not opening the door in any way to other civilian service and I think the statement of the managers adequately covers this point.

Perhaps of greater importance is the Senate amendment which established 5 periods of obligated active service based upon the amount of previous service.

You will recall that the House bill provided for only 2 periods of service; namely, 24 months of service for all doctors, except those who served 12 months or more since September 16, 1940. These

83D CONGRESS
1ST SESSION

H. R. 5495

IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Finance

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Ex-
4 tension Act of 1953".

5 **TITLE I—FOREIGN-TRADE AGREEMENTS**

6 **SEC. 101. EXTENSION OF AUTHORITY.**

7 The period during which the President is authorized to
8 enter into foreign-trade agreements under section 350 of the
9 Tariff Act of 1930, as amended and extended (19 U. S. C.,

1 sec. 1351), is hereby extended for a further period of one
2 year from June 12, 1953.

3 **SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COM-**
4 **MISSION.**

5 The first paragraph of subsection (a) of section 7 of
6 the Trade Agreements Extension Act of 1951 (19 U. S. C.,
7 sec. 1364) is hereby amended by striking out "one year"
8 and inserting in lieu thereof "nine months". In the case of
9 any application made under such first paragraph before the
10 date of the enactment of this Act, the United States Tariff
11 Commission shall make its report not later than whichever
12 of the following is the earlier: (1) one year after the ap-
13 plication was made, or (2) nine months after the date of
14 the enactment of this Act.

15 **TITLE II—UNITED STATES TARIFF**
16 **COMMISSION**

17 **SEC. 201. MEMBERSHIP AND TERMS OF OFFICE.**

18 (a) **IN GENERAL.**—Subsections (a) and (b) of sec-
19 tion 330 of the Tariff Act of 1930, as amended (19 U. S. C.,
20 sec. 1330), are hereby amended to read as follows:

21 "(a) **MEMBERSHIP.**—The United States Tariff Com-
22 mission (referred to in this title as the 'Commission') shall
23 be composed of seven Commissioners appointed by the Presi-
24 dent by and with the advice and consent of the Senate. No

1 person shall be eligible for appointment as a Commissioner
2 unless he is a citizen of the United States, and, in the judg-
3 ment of the President, is possessed of qualifications requisite
4 for developing expert knowledge of tariff problems and
5 efficiency in administering the laws administered by the
6 Commission. Not more than four of the Commissioners
7 shall be members of the same political party.

8 “(b) TERMS OF OFFICE.—The term of office of a Com-
9 missioner shall expire seven years from the expiration of
10 the term for which his predecessor was appointed; except
11 that any Commissioner appointed to fill a vacancy occurring
12 prior to the expiration of the term for which his predecessor
13 was appointed shall be appointed for the remainder of such
14 term.”

15 (b) EFFECTIVE DATE.—Notwithstanding section 330
16 of the Tariff Act of 1930, as amended by subsection (a)—

17 (1) the term of office of any Commissioner in office
18 on the date of the enactment of this Act, and the term
19 of office of any Commissioner appointed to fill a vacancy
20 in a term of office which commenced before such date
21 of enactment, shall expire at the time provided therefor
22 by such section 330 as in effect on the day prior to such
23 date of enactment;

24 (2) the term of office of the Commissioner ap-

1 pointed to succeed the Commissioner whose term of
2 office expires June 16, 1953, shall expire at the close
3 of June 16, 1959; and

4 (3) the first term of office of the additional Com-
5 missioner provided for by the amendment made by
6 subsection (a) shall expire at the close of June 16, 1960.

7 **TITLE III—ESTABLISHMENT OF COMMIS-** 8 **SION ON FOREIGN ECONOMIC POLICY**

9 **SEC. 301. ESTABLISHMENT OF THE COMMISSION.**

10 There is hereby established a bipartisan commission to
11 be known as the Commission on Foreign Economic Policy
12 (in this title referred to as the "Commission").

13 **SEC. 302. MEMBERSHIP OF THE COMMISSION.**

14 (a) **NUMBER AND APPOINTMENT.**—The Commission
15 shall be composed of seventeen members as follows:

16 (1) Seven appointed by the President of the United
17 States;

18 (2) Five appointed from the Senate by the Vice
19 President of the United States; and

20 (3) Five appointed from the House of Repre-
21 sentatives by the Speaker of the House of Representa-
22 tives.

23 (b) **POLITICAL AFFILIATION.**—Of the first class of
24 members specified in subsection (a), no more than four
25 members shall be from the same political party. Of the

1 second and third classes of members specified in subsection
2 (a), no more than three members from each class shall
3 be from the same political party.

4 **SEC. 303. ORGANIZATION OF THE COMMISSION.**

5 The President shall designate the member of the Com-
6 mission who shall be the Chairman, and the member who
7 shall be the Vice Chairman.

8 **SEC. 304. QUORUM.**

9 Four members of the class specified in paragraph (1)
10 of section 302 (a), three members of the class specified
11 in paragraph (2) thereof, and three members of the class
12 specified in paragraph (3) thereof shall constitute a quorum;
13 but a lesser number may conduct hearings.

14 **SEC. 305. COMPENSATION OF MEMBERS OF THE COMMIS-**
15 **SION.**

16 (a) **MEMBERS OF CONGRESS.**—Members of Congress
17 who are members of the Commission shall serve without
18 compensation in addition to that received for their services
19 as Members of Congress; but they shall be reimbursed for
20 travel, subsistence, and other necessary expenses incurred
21 by them in the performance of the duties vested in the
22 Commission.

23 (b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The
24 members of the Commission who are in the executive branch

1 of the Government shall each receive the compensation
2 which he would receive if he were not a member of the Com-
3 mission, but they shall be reimbursed for travel, subsistence,
4 and other necessary expenses incurred by them in the per-
5 formance of the duties vested in the Commission.

6 (c) MEMBERS FROM PRIVATE LIFE.—The members
7 from private life shall receive not to exceed \$75 per diem
8 when engaged in the performance of duties vested in the
9 Commission, plus reimbursement for travel, subsistence, and
10 other necessary expenses incurred by them in the perform-
11 ance of such duties.

12 **SEC. 306. STAFF OF THE COMMISSION.**

13 (a) APPOINTMENT OF PERSONNEL.—The Commission
14 may appoint such personnel as it deems advisable, without
15 regard to the civil-service laws, and shall fix the compensa-
16 tion of such personnel in accordance with the Classification
17 Act of 1949, as amended. The Commission may procure
18 temporary and intermittent services in accordance with sec-
19 tion 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a),
20 but at rates not to exceed \$75 per diem for individuals. The
21 Commission may reimburse employees, experts, and consult-
22 ants for travel, subsistence, and other necessary expenses
23 incurred by them in the performance of their official duties
24 and make reasonable advances to such persons for such
25 purposes.

(b) CERTAIN LAWS NOT TO APPLY.—Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such person within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

SEC. 307. EXPENSES OF THE COMMISSION.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.

(a) REPORT.—Within sixty days after the second regular session of the Eighty-third Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) EXPIRATION OF THE COMMISSION.—Ninety days

1 after the submission to the Congress of the report provided
2 for in subsection (a) of this section, the Commission shall
3 cease to exist.

4 **SEC. 309. DUTIES OF THE COMMISSION.**

5 (a) **IN GENERAL.**—The Commission is directed, within
6 the framework of our foreign policy and national security
7 objectives, to examine, study, and report on the subject
8 of the foreign economic policy of the United States and to
9 recommend policies, measures, and practices that will encour-
10 age further investment overseas and currency convertibility,
11 and foster the highest possible levels of trade consistent with
12 the national security and a strong domestic economy.

13 (b) **CERTAIN OF THE MATTERS TO BE CONSIDERED**
14 **AND REPORTED ON.**—Without limiting the general scope of
15 the direction to the Commission contained in subsection (a),
16 the Commission shall consider, and shall report on, the
17 following matters:

18 (1) (A) Applicable provisions of the Constitution
19 of the United States;

20 (B) Laws, regulations, and practices of the United
21 States relating to international trade, including such
22 matters as tariffs, customs, customs administration, trade
23 agreements, peril point and escape procedures, opinions
24 and decisions thereon of the United States Tariff Com-
25 mission and the President, import and export quotas,

1 monetary licenses, countervailing duties, and procure-
2 ment preferences;

3 (C) Departments, agencies, boards, commissions,
4 bureaus, and other instrumentalities of the United
5 States having jurisdiction over, or dealing with, these
6 matters;

7 (D) Laws, regulations, and practices and official in-
8 strumentalities of other nations concerned with similar
9 subject matters;

10 (E) Pertinent statistics on international trade; and

11 (F) Balance of payments, nation by nation; and
12 the causes and effects of, and proposed remedies for,
13 excessive imbalances.

14 (2) Relationship of our foreign economic policies
15 to, and their influences on, our total foreign policy;
16 and the proper relationship of each to the other.

17 (3) Effect of our foreign aid and military defense
18 programs on international trade and international bal-
19 ance of payments.

20 (4) Foreign markets of trading nations—extent and
21 nature; and the effect thereon of wars, other emer-
22 gencies, technological advances, international relations,
23 and other pertinent factors.

24 (5) International instrumentalities, organizations,
25 and agreements and practices affecting trade, such as the

1 General Agreement on Tariffs and Trade, Customs
2 Unions, Organization for European Economic Coopera-
3 tion, International Wheat Agreement, cartels, European
4 Payments Union, European Coal and Steel Community,
5 and International Monetary Fund.

6 (6) Foreign investment capital and the flow of in-
7 vestment capital between nations—need thereof—restric-
8 tions thereon—inducements necessary to encourage—
9 role of the Export-Import Bank and of the International
10 Bank for Reconstruction and Development.

11 (7) Effects on international trade of factors such as
12 costs of production and pricing, labor practices and stand-
13 ards, general living standards, currency manipulation, in-
14 convertible currencies, official inflationary policies, cur-
15 rency devaluations, exchange controls and licenses,
16 quotas, embargoes, dumping and pricing practices, mul-
17 tiple currencies, bilateral trade agreements, barter ar-
18 rangements, customs procedures, marking and transit
19 problems, concealed regulation of exports and imports,
20 preferential tariff systems, most-favored nation treat-
21 ment, government monopolies, state-controlled econo-
22 mies, state trading, and state-subsidized trading.

23 (8) Effect of existing and proposed trade policies
24 on the promotion of peace and security and the better-

1 ment of political, social, and economic life, domestic and
2 foreign.

3 **SEC. 310. POWERS OF THE COMMISSION.**

4 (a) **HEARINGS AND SESSIONS.**—The Commission or,
5 on the authorization of the Commission, any subcommittee or
6 member thereof, shall have power to hold hearings and to
7 sit and act at such times and places, within the United
8 States or elsewhere, to take such testimony, and to make such
9 lawful expenditures, as the Commission or such subcom-
10 mittee or member may deem advisable.

11 (b) **OBTAINING OFFICIAL DATA.**—The Commission is
12 authorized to request from any department, agency, or inde-
13 pendent instrumentality of the Government any informa-
14 tion it deems necessary to carry out its functions under this
15 title; and each such department, agency, and instrumentality
16 is authorized to furnish such information to the Commission,
17 upon request made by the Chairman or by the Vice Chair-
18 man when acting as Chairman.

Passed the House of Representatives June 15, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

JUNE 16 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Finance

2/12/53

31. FOREIGN AID. Sen. Martin inserted a Philadelphia Inquirer editorial expressing concern that "our foreign aid program is an investment which does not seem to be paying off" (p. A3647).
32. PERSONNEL. Rep. Celler inserted his recent statement before the N. Y. State Nat'l Federation of Federal Employees defending Federal employees and stating that "there are many in Congress who are watching both the administrative and legislative program concerned with the Federal worker" (pp. A3648-9).
33. FOREIGN TRADE. Sen. Fulbright inserted G. L. Mehta's (Ambassador from India) recent address favoring international trade as a necessity for the well-being of all countries (p. A3638).
34. IMMIGRATION. Rep. Klein inserted a statement by Rev. Felix Burant, Polish Immigration Committee, favoring legislation permitting the admission of 240,000 non-quota immigrants into the U.S. (pp. A3652-53).
35. DAIRY PRODUCTS. Rep. Judd inserted a St. Paul Pioneer Press editorial praising the Secretary for calling a 14-man national dairy committee to review the dairy situation, and criticizing Eastern States, claiming they use arbitrary sanitary rules to exclude outside milk and cream (pp. A3653-54).
36. FOUR-H CLUBS. Rep. Thompson (La.) inserted an editorial issued by the Louisiana Agricultural Extension Service titled "4-H Clubbers See America" (p. 3659), and a newspaper article discussing the tour to Washington, D.C. of the Evangeline 4-H Club (p. A3666).
37. APPROPRIATIONS. Rep. Rogers (Fla.) inserted a Palm Beach Post editorial favoring his resolution. H. Res. 52, requiring a yea-and-nay vote on all appropriation bills (p. A3659).
38. ELECTRIFICATION. Rep. Evins inserted Lowell Mellett's article in the Washington Evening Star praising the President's statement at Garrison Dam on the need for its power production, flood control and irrigation uses (pp. A3662-63).
Extension of remarks by Rep. Frazier discussing the benefits of TVA to the nation, and urging that sufficient appropriations be made to continue its power program (pp. A2669-70).
39. FOREIGN ECONOMIC POLICY. Extension of remarks by Rep. Wolverton praising the President for recommending that a commission be appointed to examine the foreign economic policy of the U. S. (pp. A3666-67).

BILLS INTRODUCED

40. WHEAT. S. 2137, by Sens. Welker et al, to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption; to Judiciary Committee (p. 6668). Remarks of author (p. 6668).
41. TRADE AGREEMENTS. S. 2138, by Sens. Kefauver et al, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to repeal certain provisions of the Trade Agreements Extension Act of 1951; to Finance Committee (p. 6668). Remarks of author (pp. 6668-70).
42. COMMODITY CREDIT CORPORATION. H.R. 5714, by Rep. Burleson, to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the mutual security program; to Agriculture Committee (p. 6780).

43. PERSONNEL. H.R. 5718, by Rep. Hagen, to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws; to Post Office and Civil Service Committee (p. 6780).
44. AGRICULTURAL ADJUSTMENT ACT. H.R. 5719, by Rep. Herlong, and H.R. 5727, by Rep. Phillips, to amend the Agricultural Adjustment Act of 1938, as amended; to Agriculture Committee (p. 6780).
45. LAND; TAXATION. H.R. 5720, by Rep. Herlong, relating to the tax treatment to be afforded under section 117 (j) (3) of the Internal Revenue Code in certain cases involving the sale, exchange, or conversion of land with unharvested crops thereon; to Ways and Means Committee (p. 6780).
46. RUBBER. H.R. 5728, by Rep. Shafer, to authorize the disposal of the Government-owned rubber-producing facilities; to Armed Services Committee (p. 6780).
47. RECLAMATION. H.R. 5730, by Rep. Saylor; H.R. 5731, by Rep. Utt; and H.R. 5732, by Rep. Engle; to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other waterwork facilities by the Department of the Interior and the Department of the Navy; to Interior and Insular Affairs Committee (p. 6780).
48. SEED. H.R. 5734, by Rep. Dague, to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended; to Agriculture Committee (p. 6780).
49. DISASTER RELIEF. H.R. 5737, and H.R. 5738, by Rep. Philbin, for the relief of sufferers in designated tornado disaster areas for losses of real and personal property; to Judiciary Committee (p. 6780).
50. HEALTH. H.R. 5740, by Rep. Wolverton, to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection; to Interstate Commerce Committee (p. 6780).
51. DISASTER LOANS. H. J. Res. 277, by Rep. Philbin, authorizing the Federal National Mortgage Association to enter into agreements prior to construction to purchase mortgages on housing in disaster areas; to Banking and Currency Committee (p. 6780).

COMMITTEE HEARINGS RELEASED BY G.P.O.

52. APPROPRIATIONS. Second Independent Offices Appropriations for 1954, H.R. 5690, Part 1. H. Appropriations Committee.
Supplemental hearings on Departments of State, Justice, and Commerce Appropriations for 1954, H.R. 4974. S. Appropriations Committee.
53. WHEAT MARKETING QUOTAS, H.R. 5451. H. Agriculture Committee.
54. INFORMATION. Authorizing educational films and related material to be transmitted at book rates, S. 971. S. Post Office and Civil Service Committee.
55. FOREIGN TRADE in agricultural products, Part 2 (Grains). S. Agriculture and Forestry Committee.

83d CONGRESS
1ST SESSION

S. 2138

IN THE SENATE OF THE UNITED STATES

JUNE 15 (legislative day, JUNE 8), 1953

Mr. KEFAUVER (for himself, Mr. HENNINGS, Mr. MURRAY, Mr. DOUGLAS, Mr. GILLETTE, Mr. GREEN, Mr. MORSE, Mr. HILL, Mr. SPARKMAN, Mr. HUMPHREY, and Mr. LEHMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to repeal certain provisions of the Trade Agreements Extension Act of 1951, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Exten-
4 sion Act of 1953".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended (19
8 U. S. C., sec. 1351), is hereby extended for a further period
9 of three years from June 12, 1953.

1 SEC. 3. Sections 3 and 4 of the Trade Agreements
2 Extension Act of 1951, approved June 16, 1951, are hereby
3 repealed.

4 SEC. 4. Section 4 of the Act entitled "An Act to amend
5 the Tariff Act of 1930", approved June 12, 1934, as
6 amended (19 U. S. C., sec. 1354), is hereby amended by
7 striking out the matter following the semicolon and inserting
8 in lieu thereof the following: "and before concluding such
9 agreement the President shall seek information and advice
10 with respect thereto from the United States Tariff Com-
11 mission, the Departments of State, Agriculture, Commerce,
12 and Defense, and from such other sources as he may deem
13 appropriate."

14 SEC. 5. The provisions of subsection (b) of section
15 516 of the Tariff Act of 1930, as amended (19 U. S. C.,
16 sec. 1516), shall not apply with respect to any article of
17 a class or kind which is named or described in any obligation
18 undertaken by the United States in a foreign-trade agree-
19 ment entered into under section 350 of the Tariff Act of
20 1930 (19 U. S. C., sec. 1351).

21 SEC. 6. The President is authorized to suspend the ap-
22 plication of section 5 or section 11 of the Trade Agreements

1 Extension Act of 1951 in the case of any country, when
2 he finds that such action will contribute to the establishment
3 of international good will or promote the cause of world
4 peace.

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to repeal certain provisions of the Trade Agreements Extension Act of 1951, and for other purposes.

By Mr. KEFAUVER, Mr. HENNING, Mr. MURRAY,
Mr. DOUGLAS, Mr. GILLETTE, Mr. GREEN, Mr.
MORSE, Mr. HILL, Mr. SPARKMAN, Mr. HUM-
PHREY, and Mr. LEHMAN

JUNE 15 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Finance

A-6385420, Gonzalez-Monfort, Julian Jose Hiran.

A-7054557, Gonzalez, Maria or Maria Gonzalez-Monfort or Maria De Los Angeles Leon.
A-7415754, Gonzalez-Saldana, Eleuterio.
A-6494138, Gosalves-Romero, Rosario.
A-4921290, Gouacide, Michael Florent.
A-7415864, Graham, Patrick or Patrick Lewis Graham.

T-2182612, Gray, Mrs. Bridget or Mrs. Kocher (nee Moore).

A-6677320, Grindeland, Stella Muriel (nee Proudlock).

0800-95682, Groves, Reginald Alexander.
A-5617750, Guastella, Francesco.
0300-276120, Guerreio-Velasco, Alberto.
A-5831290, Guerrero-Toscano, Anastacio.
A-4204501, Guerrieri, Shirley (nee Shirley Goldman) or Shirley Schafran.
A-7013311, Schafran, Alan.

A-9769696, Gullberg, David Fritjof Sune or Sune Dave Gullberg.

A-3602318, Hall, Victoria Ruiz de.

8817/464, Harris, Melvia (nee Nolan).
A-4557911, Hartwig, Martin John or John Hartwig.

A-7978951, Hernandez, Jesus Labrade.

T-2760182, High, Mary Violet (nee Chow).
A-6204775, Higuera, Cristobal or Cristobal Higuera Hernandez.

A-7118461, Hines, Edward Frederick or Edward F. Hins.

A-6009272, Ho, Dorothy or Ho Ying Leong.
A-7371862, Hoff, Frank or Steigler.

A-6033472, Hoo, Kou-Chung.
A-5316816, Hudulin, John or John Korunich.

A-4925149, Hutchinson, Doris Elizabeth or Doris Elizabeth Hutchinson Brice.

A-7835193, Hwang, Cirila Casquite.
A-6034451, Ibanez-Tovar, Antero.

0300-412356, Islam, Fakrik.
0501-19600, Jennick, Frank Deckers.

A-1523318, Joseph, Ahmad or Joseph Ahmad and Ahmad Abdallah Josef.

A-7127111, Kalantzis, Julia George (nee Julia John Tsiteloni).

T-2783729, Kalin, Molly or Molly Medline.
A-3914805, Kan, Hong Yong or Hung Yung Kan or Al Young or Charley Young.

T-2305139, Karjus, August.
V-581842, Kassavetis, Ifigenia George (nee Coroneos).

T-1510113, Keen, Owen Leopold.
A-1752505, Keenan, Vera Sarah or Vera S. Keenan.

A-9765954, Kew, Lee or Lee Fook.
A-6170224, Khan, Mustapha Mohamed.

0300-412754, Koen, Lee or Li Kuan or Lee Sop.

A-9765669, Kolodziejek, Hieronim Henry.
A-3457910, Komisaroff-Kremer, Vera.

A-2317970, Kontos, Steve or Stavros Kontominos.

A-2077722, Kouvaras, Christos.
A-5878526, Kun, Mak Ying.

A-5378372, Larrance, Patricia Shaen (nee Hammersley).

A-9799769, Lauscher, Kurt.
T-2334460, Ledee, Joseph Emanuel.

A-9134170, Lee, John or Lee Yen.
A-4788941T, Lefas, Isidoros Demetrios.

0500-33120, Lefler, William C.
A-8227712, Leitao, Jose Franco.

0800-73267, Leitz, Mary Margaret.
A-7427619, Lembesis, Ioannis or John Lembesis.

A-2572761, Leotsakos, Michael Dimitrios.
A-4598006, Liakiardopoulos, Vasilios or Bill Likas or William Likas.

A-9708962, Lip, Chin or Chan.
A-5964920, Lopez, Juan.

A-8190019, Los, Gerard.
A-7203760, Lotito, Ilarione.

T-2760820, Loudaros, Nikitas John.
1209-10390, Luera-Sandoval, Cleofas Manuel or Manuel Luera Sandoval.

A-7351141, Maahs, Heini or Henry or Heinrich or Herman Maahs.

T-2783724, Maciel-Garcia, Antonion or Antonio M. Garcia.

A-4548611, Macpherson, Eric George.

T-1955057, Malagutti, Luciana Grace.

A-7092588, Manchan, Luke or Luke Fred Manchansingh.

A-7070305, Mandy, Norma Kathleen (nee Moore).

A-2838016, Mangione, Pietro.
A-7384783, Marcus, Hans.

A-6461430, Margolin, Efraim.
A-6447292, Marshall, Kenneth Renton or Kenneth Marshall.

A-6340934T, Martinez, Agustina Mariano or Severina Baoingan Mariano.

A-6686130, Martinez, Josephine Nellie Puentes de (nee Josefina Manuela Puentes).

A-7263752, Martinez, Matilde (nee Bravo) or Garcia.

T-109265, Mastrocola, Mario Vincent.
T-1497417, Masuda, Isao.

A-2924517, Maxwell, James or Fred Mortimer.

A-6886197, Meisels, Joseph.
A-1543047, Mellan, Francisco Ramos or Frank Ramos.

V-315224, Mendoza, Ignacia Martinez-Barriecanal de.

1209-9365, Miller, Florence Mary (nee Laurin).

A-4433579, Miller, Harry Sam.
T-1497435, Mitsiliotis, Nikolaus or Nick Preston or Nick Mitchell.

A-6976376, Mohn, Per Haakon or Pete Mohn.

1100-24407, Montelongo-Garza, Anacleto.
T-1510108, Montesantos, Constantinos or Gus.

1607-19815, Montes-Garza, Juan.
A-8082932, Mosquera, Melva or Melba (nee Oblitas-Pino).

A-7391988, Munoz, Gavino.
A-7391986, Munoz, Alejandro.

A-7391937, Munoz, Florencia.
A-7391985, Munoz, Antonio.

0800-93194, Murillo, Federico Ramirez.
A-3831898, Murphy, John Joseph.

A-3733866, Nagee, Ali Said.
A-6589744, Nalecz, Mieczyslaw or Mitchell Nalecz.

A-6563770, Natividad, Jesus.
A-8057299, Navarro-Moreno, Luis.

T-1497430, Nishi, Eikichi or Akiyoshi Yamaguchi.

A-4363383, Nizzi, Maria or Maria Amidei.
T-2760814, Ohashi, Taro.

T-2760815, Ohashi, Fusae.
T-2760816, Ohashi, Victor M.

T-2760817, Ohashi, Clara M.
A-7117182, Oliveira, Jose Munez or Jose Munez.

T-1479357, Oppedisano, Angelo.
A-7033646, Ortega-Lujano, Luis.

A-6922686, Ostreicher, Samuel or Fojtech or Vejtech Weinstein.

A-7424126, Ostreicher, Rozalia or Razalia Weinstein (nee Weiss).

0800-43320, Oztekin, Muammer Ahmet.
A-7112463, Paldomino-Escobar, Seferino or Alfonso Arriaga-Campos or Rovertto Gonzalez.

PR-949584, Pan, Li-Chi.
A-7394778, Pan, Lucy S.

A-7782888, Pao-Ching, Sunn or Pao-Ching Sunn.

A-3432349, Papp, Nick.
A-4570715, Peltola, Jaakko Ilmari.

A-6851362, Peng, David Kwanghua.
A-9729035, Pepe, Jose or Joe Pepe.

A-7962166, Perez, Olga (nee Olga Meyer).
A-8017165, Perez-Perez, Luis.

A-5489890, Perla, Filomena Angelini.
A-7733715, Pian, Theodore Hsueh-Huang.

0704-4614, Pietro, Amelia Tammetta Santi Di.

0704-5159, Pietro, Fernanda Santi Di.
A-7079716, Pini, John Athos.

A-1612771, Pirovolos, Kostos or Constantinos.

T-2659472, Pokropowicz, Maria Exposito Pelayo.

A-7780164, Puccinelli, Samuel.
A-2104721, Quaranta, Francesco.

T-2182441, Ramirez, Gregoria Villarreal De.

T-2182508, Raimrez-Rodriguez, Martin.
A-5912975, Rebelo, Antonio Dos Santos or Antonio Rebelo.

A-7445940, Regino-Mendoza, Epifanio.
A-7962062, Reinisch, Simon.

T-555960, Rhymer, Rufus Alvin.
T-2334461, Rhymer, Leslie Lorenzo.

T-2334464, Richardson, Ruel Wilfred.
A-4727813, Riedl, Christian.

A-5594951, Robertson, Lorayne (Lorraine) Neilson.

A-4095701, Robus, Charles John.
A-6066242, Rodriguez, Augustin Gomez.

T-1506025, Rodriguez-Rodriguez, Juan.
T-1719381, Rosales, Francisca Del Carmen Galvez Rodriguez.

V-1269005, Roth, Clara.
A-4669645, Ruschak, John.

T-93172, Salvemini, Vito.
T-2760199, Sang, Wong Chan Lai.

T-2760331, On, Ernest Wong Yuen.
A-4232931, Santos, Apolonio Eligio or Alberto Eligio Santos.

V-91619, Sassouni, Armen.
0800-82635, Sauro, Guerrino or Warren Sauro.

A-6769411, Sauve, Howard James or Dale James Sauve.

A-5518906, Seltzer, Abe.
A-7031739, Seltzer, Laura.

A-5518947, Seltzer, Ray.
A-7031808, Seltzer, Shirley Celia or Shirley Cilia Seltzer.

A-4548933, Shao, Chu Kao.
A-8310344, Shao, Huan Wen Lee or Huan Wen Lee or Hen-Wen Lee or Mary Lee.

A-3633709, Shee, Jeung (nee Jeung Klu).
A-7036141, Sherrod, Dorothy Allene.

T-2760838, Shong, Ng Lee or Ng Kim Yat.
A-1357121, Siemensma, Thiemotheus.

A-5456861, Simulevics, Fruze or Fruze Rupeks or Ulozas.

T-1495410, Singh, Partop.
A-8217151, Sitbon, Jeanne D'Arc.

A-3056555, Slobodnik, Vasil or William.
A-2630172, Smart, James Allen.

A-5895355, Smyk, Ann Violet.
1500/41442, Solis-Rios, Felipe.

V-1273204, Sonnekab, Ingrid.
A-6593089, Sperber, Jose Rodriguez.

A-6944236, Staggs, Lucie Marie.
A-6944237, Staggs, May Estelle.

A-7915071, Stemmer, Emanuel or Emanuel Mendel Stemmer.

A-2748926, Stola, Joseph.
A-4534548, Sullivan, John or John O'Sullivan.

A-6591058, Sutherland, Maida Alethea.
T-2783730, Talavera-Torres, Victor.

A-7962057, Tam, Piu Chiu or Tam Pui Chiu.

36777-2-3, Tam, Foong Sui or Chow Foong Siu.

36777-2-4, Tam, Eugene or Eugene Tan and Tam Chen Tsien or Chen Tsien Tam.

A-5621827, Tambakis, Panagiotis or Peter Tambakis or Peter Tamvakis.

A-8258585, Terry, Blas Celerino.
T-2334465, Thompson, Samuel Melvin.

A-8259705, Tjong, Rudy or Harry Chang or Eugene Haw.

A-2038816, Tobias, Leford.
T-2626333, Tolentino-Beltran, Jesus.

A-1677929, Torrealba, Juan or Juan Rafael Torrealba Carvacho.

A-1698952, Toscano, Antonio.
A-6064023, Tovar-Cantu, Florencio.

T-2626319, Tovar, Simona Gamboa De.
T-395202, Triana, Leydia Irene Diaz De.

T-714773, Quintana, Jose Pedro Triana y.

A-8091952, Uribe-Santiago, Jesus or Jesus Uribe.

T-2626375, Urrutia-Ayesa, Estilita or Estilita Canas.

A-5187309, Valenzuela, Rebecca Trejo de.
A-7469261, Valladares-Medrano, Alvaro.

1500/35906, Vasquez, Maria De Jesus Roman De.

A-1877637T, Vloten, Gertrude Van or Quesada (nee Junska).

A-9153566, Wah, Chong or Cheung Wah Chow.

A-4395584, Walsh, Charles Rudolph.

A-7438933, Walsh, Sighlt Georgia Helga or Sighlt Georgia Helga Wilke.

A-4647745, Ward, Michael or Eric Michael Ward or Michael Eric Ward.

A-5274295, Ward, Edith (nee Fritz) or Cavins.

V-614473, Watkins, Mary Carmen (nee Mary Carmen Dean) or Mary Dean Schwartz.

A-8258777, Webster, Frank Victor.

A-7292474, Williams, Aubrey George.

T-1892717, Wilson, Winston Minter or Clarence Wilson.

A-6878024, Wolf, George or Georg Wolf.

A-7079713, Wong, Henry Sam.

T-1333561, Woodcock, Karin.

A-6848665, Wu, Chung.

A-6379911, Wu, Helen Lu-Chen.

A-2370924, Wu, Kwang Tsing.

A-6982878, Yue, Nadine Jean (nee Nadine Jean Li).

A-6982878, Yue, Wen-Yao.

A-2567172, Yuen, Koon Shau or Koon Sham Yuen.

A-7145751, Zacarias, Perfecto.

A-7188092, Zacarias, Maria De Jesus Urena De.

1400-19555, Zaragosa-Parada, Francisco.

1400-19554, Zaragosa, Jesua Preciado de.

1400-19556, Zaragosa-Preciado, Guadalupe.

1400-19553, Zaragosa-Preciado, Juan.

1400-19557, Zaragosa-Preciado, Carmen.

A-9670685, Dardamanis, Dimitrios.

A-6851619, Chang, Ching Chieh.

A-7118671, Chang, Hsien Wei.

A-6095030, Raymond, Leslie or Leslie Rote-man.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. CARLSON, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2128. A bill to further amend the Mutual Security Act of 1951, as amended, and for other purposes (Rept. No. 403).

(Under authority of the order of the Senate of June 11, 1953, Mr. WILEY, on June 13, 1953, from the Committee on Foreign Relations, reported the above bill, and it was subsequently read twice by its title, and referred to the Committee on Armed Services.)

By Mr. KENNEDY:

S. 2129. A bill for the relief of Romana Michelina Sereni; and

S. 2130. A bill for the relief of Simonella Evonne Magliulo (Christa Inga Magliulo); to the Committee on the Judiciary.

By Mr. KENNEDY (by request):

S. 2131. A bill for the relief of Francesco Carosi (Lorenzo Santini);

S. 2132. A bill for the relief of Lee You; and

S. 2133. A bill for the relief of Salvatore D'Amico; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 2134. A bill for the relief of Nicolo Hronclch; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 2135. A bill for the relief of Fernando A. Rubio, Jr.; and

S. 2136. A bill for the relief of Sam H. Ray; to the Committee on the Judiciary.

By Mr. WELKER (for himself, Mr. YOUNG, Mr. LANGER, Mr. DWORSHAK, Mr. ANDERSON, Mr. JENNER, Mr. WATKINS, Mr. BUTLER of Maryland, Mr. WILLIAMS, and Mr. MARTIN):

S. 2137. A bill to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption; to the Committee on the Judiciary.

(See the remarks of Mr. WELKER when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER (for himself, Mr. HENNINGS, Mr. MURRAY, Mr. DOUGLAS, Mr. GILLETTE, Mr. GREEN, Mr. MORSE, Mr. HILL, Mr. SPARKMAN, Mr. HUMPHREY, and Mr. LEHMAN):

S. 2138. A bill to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to repeal certain provisions of the Trade Agreements Extension Act of 1951, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 2139. A bill to provide for the issuance of a special series of postage stamps in commemoration of the life and works of Dr. Lyman Copeland Draper; to the Committee on Post Office and Civil Service.

By Mr. MALONE:

S. 2140. A bill to reduce the individual income tax; to the Committee on Finance. (See the remarks of Mr. MALONE when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. J. Res. 89. Joint resolution to prohibit the detonation of atomic bombs or nuclear devices or weapons within the United States; to the Joint Committee on Atomic Energy.

BLENDING OF IMPORTED WHEAT UNFIT FOR HUMAN CONSUMPTION WITH WHEAT SUITABLE FOR HUMAN CONSUMPTION

Mr. WELKER. Mr. President, recently the Subcommittee to Improve the Criminal Procedure, of the Committee on the Judiciary, held hearings with respect to the importation of Canadian wheat unfit for human consumption. I introduce for appropriate reference a bill which is sponsored by myself, the junior Senator from North Dakota [Mr. YOUNG], the senior Senator from North Dakota [Mr. LANGER], my colleague, the senior Senator from Idaho [Mr. DWORSHAK], the Senator from New Mexico [Mr. ANDERSON], the Senator from Indiana [Mr. JENNER], the Senator from Utah [Mr. WATKINS], the Senator from Maryland [Mr. BUTLER], the Senator from Delaware [Mr. WILLIAMS], and the Senator from Pennsylvania [Mr. MARTIN]. The bill would prohibit the blending of imported wheat unfit for human consumption with wheat suitable for human consumption.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2137) to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption, introduced by

Mr. WELKER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. KEFAUVER. Mr. President, I ask unanimous consent to proceed for about 5 minutes in a discussion of a bill which I am introducing today.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. KEFAUVER. Mr. President, on behalf of the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Oregon [Mr. MORSE], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from New York [Mr. LEHMAN], and myself, I am today introducing proposed legislation to extend the Reciprocal Trade Agreements Act.

When the House adopts the reciprocal trade bill and it comes over to the Senate, I shall propose the substitution of this legislation. I am introducing it now so that it can be printed and Senators can be considering it.

Mr. President, I consider this one of the most important pieces of legislation with which I have been associated during this entire session.

Unless this Nation does something to revive its foreign trade we shall suffer economic reverses at home and our allies and friends abroad will suffer even worse reverses.

We have been talking about trade, not aid, but unless we do something positive soon, we shall have neither.

Mr. President, I want to mention a situation with which I happen to be familiar because it involves two important agricultural products from my own State.

One of these is cotton. For the current marketing year, which ends on July 31, cotton exports will be 3½ million bales. This is a 2-million-bale decline from the marketing year which ended last July 31. It is 1 million bales below the 5-year postwar average.

Another important crop in my own State is tobacco. Exports of tobacco are down 25 percent. Mr. President, I mention these just as examples and because I happen to be very familiar with them because of their importance to my own State. However, what I have said about them is true, in differing degrees, of many agricultural and manufactured products.

Farm exports in 1952 fell 15 percent in annual value—from \$4,040,000,000 in 1951 to \$3,425,000,000. Wheat is down 6 percent. Dairy products are down nearly 50 percent.

Comparing last year with 1951, let me mention declines in exports in various manufactured products.

Synthetic fibers and manufactures are down 9 percent.

Coal and related products are down 16 percent.

Automobiles and related products are down 16 percent. I might mention parenthetically that this condition is not even good for General Motors, and therefore certainly cannot be good for the country.

Chemicals and related products are down 16 percent.

Office machines and parts are down 25 percent.

Cotton manufactures are down 20 percent.

Wood and paper are down 16 percent.

Foreign trade, of course, is a tremendously complicated problem—so many factors are involved. Last February the Public Advisory Board for Mutual Security, composed of business, labor, farm, and public leaders, reported to the President that debtor nations simply cannot repay the United States, as creditor, unless tariffs are lowered and simplified.

The fact is that the nations with which we usually trade simply do not have the dollars to buy our goods, and will not get them unless we buy from them in return, and simplify our tariff structure to the point where it will be possible for us to do so.

Cotton is again a good example. European spinners are buying cotton on a day-by-day basis, because they do not have the funds to stock it. That this condition is rather general is indicated by a study by the United Nations Economic Commission for Europe which reports that "deterioration of Europe's position in the world economy has been far greater than was appreciated when postwar recovery plans were established" and that "this deterioration has been progressive."

I certainly do not wish to represent the bill that we are introducing today as a solution to this problem. It will not solve it. It will simply help. It is a step in the right direction.

The philosophy which I have followed in drafting this bill is to return the reciprocal-trade program, insofar as possible, to the spirit of Cordell Hull. The spirit of this program when Mr. Hull left it was one to encourage foreign trade. Through the years, with the adoption of one after another crippling amendment, it has lost that spirit.

There is nothing revolutionary about this proposal. I am placing in the RECORD a technical explanation of the bill and also an examination of the negotiating authority that would be left in the reciprocal-trade program under this proposal.

I hope that Senators will examine these provisions. They will see that there is in this proposal nothing that will add hardships to domestic manufacturers.

In closing, I will say that the proposed legislation is not inconsistent with President Eisenhower's proposals. He has asked for another study of foreign trade. Let the study proceed. I am for it. But while it is proceeding, let us do what we can to revive that trade. Let us not increase the problem while waiting for the results of the study.

Mr. President, I ask unanimous consent to have printed in the body of the

RECORD following my remarks a section-by-section analysis of the bill; and following that, to have printed in the RECORD a statement entitled "An Examination of Experience Under the Reciprocal Trade Agreements and Negotiating Authority That Will Be Possible Under My Proposal."

A return to the Reciprocal Trade Agreements Act would be possible under my proposal.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF SENATOR KEFAUVER'S TRADE-AGREEMENTS BILL

The first section gives the act a short title, viz: "Trade Agreements Extension Act of 1953."

Section 2: This section extends the authority of the President to enter into foreign-trade agreements for a further period of 3 years from June 12, 1953.

Section 3: This section repeals sections 3 and 4 of the Trade Agreements Extension Act of 1951, which embody the so-called peril-point provisions.

Section 4: This section supplements the repeal of the peril-point provisions by restoring language of the original Trade Agreements Act requiring the President, before concluding an agreement, to seek information and advice with respect thereto from the United States Tariff Commission, among others.

Section 5: This section provides that subsection (b) of section 516 of the Tariff Act of 1930 (which enables an American manufacturer to protest customs rates and classifications) shall not apply with respect to any article of a class or kind covered by a foreign-trade agreement. This provision was in the original Trade Agreements Act but was eliminated in the Trade Agreements Extension Act of 1951.

Section 6: This section authorizes the President to suspend the application of section 5 or section 11 of the Trade Agreements Extension Act of 1951 in the case of any country, when he finds that such action will contribute to the establishment of international goodwill or promote the cause of world peace. Section 5 of the Trade Agreements Extension Act of 1951 permits the President to withhold concessions in any trade agreement from imports from the Union of Soviet Socialist Republics and imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. Section 11 of that act requires the President to take such measures as may be necessary to prevent the importation of a long list of furs, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or Communist China.

AN EXAMINATION OF EXPERIENCE UNDER THE RECIPROCAL TRADE AGREEMENTS AND NEGOTIATING AUTHORITY THAT WILL BE POSSIBLE UNDER MY PROPOSAL

The original Trade Agreements Act was passed in 1934. It has since been renewed seven times.

The authority conferred on the President is subject to certain basic limitations: No duty can be decreased or increased by more than 50 percent; no article may be transferred between the dutiable and the free list; the serious injury concept is included in both the peril point and escape clause provisions; the act is not permanent legislation, and must be renewed, and thus reviewed periodically.

In the period from 1934 to 1947, when the GATT was negotiated, the United States entered into 29 bilateral agreements. In 1947, agreements were in effect with the following 27 countries: Argentina, Belgium, Brazil, Canada, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Finland, France, Guatemala, Haiti, Honduras, Iceland, Iran, Luxembourg, Mexico, the Netherlands, Paraguay, Peru, Sweden, Switzerland, Turkey, the United Kingdom, Uruguay, and Venezuela. Agreements with Czechoslovakia and Nicaragua were not in effect. The effective agreements involved, on a 1939 basis, reduction or binding of rates of duty on almost 70 percent of dutiable imports.

The 1945 renewal imposed the 50-percent limitation on rates in effect in 1945, rather than on the basis of 1934 rates. This permitted further rate reductions, the exact amount being in each case dependent on what had previously been done on a specific rate.

In 1947, the GATT was negotiated with 22 other countries. When the GATT was enlarged at the Annecy negotiations in 1949 and the Torquay negotiations in 1951, it came to include 34 contracting parties. Of these, 13 of the most important out of the 27 bilateral agreements in effect in 1947 were terminated or suspended when the GATT went into effect. Most of our trade agreements are thus incorporated into GATT.

The effects of our trade negotiations are partially shown by the reduction in ad valorem equivalent of United States duties on dutiable imports from 25.8 percent in 1934 to 13.3 percent in 1951. Averages are misleading, however, since high tariffs exclude imports, and since these averages are based on imports. There are, for example, 492 rates in our tariff which still exceed 50 percent ad valorem. These imports, perhaps mostly because of these high rates, account for only 2 percent of our total dutiable imports (1949 figure).

Given the 50-percent limitation and the negotiations which have already taken place, the following table indicates the negotiating scope still left to the United States without regard to the peril point or escape-clause provisions:

Tariff schedule	United States dutiable imports, 1949	Reduction in rates from Jan. 1, 1945, to Aug. 1, 1951	Remaining reduction authority
	Thousands	Percent	Percent
1. Chemicals, oils, and paints.....	\$78,451	34	16
2. Earthenware, and glassware.....	59,461	32	18
3. Metals and manufacturers of.....	338,414	28	22
4. Wood and manufacturers of.....	97,551	38	12
5. Sugar, molasses, and manufactures of.....	345,179	31	19
6. Tobacco and manufacturers of.....	75,337	41	9
7. Agricultural products and provisions.....	484,893	22	28
8. Spirits, wines, and other beverages.....	89,560	55	6
9. Cotton manufactures.....	22,649	22	28
10. Flax, hemp, jute, and manufactures of.....	141,755	42	8
11. Wool and manufactures of.....	234,209	25	25
12. Silk manufactures.....	21,477	44	6
13. Manufactures of rayon or other textile synthetic.....	7,233	44	6
14. Papers and books.....	21,399	35	15
15. Sundries.....	223,359	21	29
Free list taxable.....	454,419	0.5	49.5

Although the remaining reduction authority as shown in the table, for some categories of goods, seems still to have some scope, experts have expressed the view that not a great deal of negotiating room remains. The principal area for a new agreement having a substantial effect on United States rates is apparently with Japan. The averages given in the table do not necessarily represent an accurate picture of bargaining scope: (1) Many individual rates have been lowered more than the average for the category in which that rate is included might show; and (2) in the nature of things, it is those individual rates which attach to articles of primary interest to the foreign exporter which will have been negotiated already to a point below the category average. Thus, the more important the item to the exporting country, the more likely (in the absence of a serious injury finding) it is to be already at a rate less than the average.

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference the bill which I have been describing, and ask that it be printed at this point in the RECORD. It is very brief.

There being no objection the bill (S. 2138) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to repeal certain provisions of the Trade Agreements Extension Act of 1951, and for other purposes, introduced by Mr. KEFAUVER, for himself and other Senators, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1953."

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of 3 years from June 12, 1953.

SEC. 3. Sections 3 and 4 of the Trade Agreements Extension Act of 1951, approved June 16, 1951, are hereby repealed.

SEC. 4. Section 4 of the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate."

SEC. 5. The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1516), shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign-trade agreement entered into under section 350 of the Tariff Act of 1930 (19 U. S. C., sec. 1351).

SEC. 6. The President is authorized to suspend the application of section 5 or section 11 of the Trade Agreements Extension Act of 1951 in the case of any country, when he finds that such action will contribute to the establishment of international good will or promote the cause of world peace.

NOTICE OF HEARING ON NOMINATION OF JAMES L. GUILMARTIN TO BE UNITED STATES ATTORNEY, SOUTHERN DISTRICT OF FLORIDA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hear-

ing has been scheduled for Thursday, June 18, 1953, at 10 a. m., in room 424 Senate Office Building, upon the nomination of James L. Guilmartin, of Florida, to be United States attorney for the southern district of Florida, vice Herbert S. Phillips, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF ARTHUR WILBUR CROCKER TO BE ASSISTANT COMMISSIONER OF PATENTS

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Arthur Wilbur Crocker, of Maryland, for the position of Assistant Commissioner of Patents. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF NOGI A. ASP TO BE EXAMINER IN CHIEF OF THE PATENT OFFICE

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Nogi A. Asp, of Washington, as Examiner in Chief of the Patent Office. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF WILLIAM COZART CALHOUN TO BE UNITED STATES ATTORNEY, SOUTHERN DISTRICT OF GEORGIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the nomination of William Cozart Calhoun, of Georgia, to be United States attorney for the southern district of Georgia. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF EDWIN R. DENNEY TO BE UNITED STATES ATTORNEY, EASTERN DISTRICT OF KENTUCKY

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Edwin R. Denney, of Kentucky, to be United States attorney for the eastern district of Kentucky, vice Claude P. Stephens, term expired. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF WILLIAM F. TOMPKINS TO BE UNITED STATES ATTORNEY, DISTRICT OF NEW JERSEY

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424 Senate Office Building, upon the nomination of William F. Tompkins, of New Jersey, to be United States attorney for the district of New Jersey, vice Grover C. Richman, resigning. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF J. JULIUS LEVY TO BE UNITED STATES ATTORNEY, MIDDLE DISTRICT OF PENNSYLVANIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the nomination of J. Julius Levy, of Pennsylvania, to be United States attorney for the middle district of Pennsylvania, vice Arthur A. Maguire, resigned. At the indicated time and place all such persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER].

NOTICE OF HEARING ON NOMINATION OF JOHN W. McILVAINE TO BE UNITED STATES ATTORNEY, WESTERN DISTRICT OF PENNSYLVANIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 23, 1953, at 10 a. m., in room 424, Senate Office Building, upon the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 25, 1953
For actions of June 24, 1953
83rd-1st, No. 115

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HIGHLIGHTS: House committee ordered reported FCA reorganization bill. House passed trip-leasing bill. Senate concurred in House amendment on wheat-for-Pakistan bill. Ready for President. Senate committee ordered reported trade agreements bill.

SENATE

1. WHEAT; FOREIGN AID. Agreed to House amendment to S. 2112, providing for the transfer of 1 million tons of price-supported wheat to Pakistan (p. 7346). This bill will now be sent to the President.
2. WAR POWERS. Passed without amendment H.R. 2557, to extend title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (pp. 7347-49). This bill will now be sent to the President.
3. SUBMERGED LANDS. Continued debate on S. 1901, to provide for U.S. jurisdiction over the submerged lands of the outer Continental Shelf, adopting a Hill amendment earmarking revenue from this bill for national defense expenses during the national emergency, and afterwards for educational grants-in-aid (pp. 7347, 7350, 7356-84, 7388-93).
4. FOREIGN TRADE. The Finance Committee ordered reported (but did not actually report) with amendments H.R. 5495, to extend for 1 year the President's authority to enter into reciprocal trade agreements. The "Daily Digest" states: "Major amendments adopted by the committee would (1) delete from the bill that section increasing membership of the Tariff Commission from 6 to 7, (2) provide that in those cases where the law requires submission of a report to the President, the decisions shall be reported to the President, and (3) provide certain modifications to title 3 of the bill dealing with the establishment of a Commission on Foreign Economic Policy." (p. D605).

5. ELECTRIFICATION. Sen. Kefauver spoke on the purposes and contributions of TVA, including its effect on the agricultural program of the Tennessee Valley, and stated that TVA was "the best friend private enterprise ever had" (pp. 7350-56).

HOUSE

6. FCA REORGANIZATION. The Agriculture Committee ordered reported (but did not actually report) H.R. 4353, the FCA reorganization bill. The "Daily Digest" states, "The bill was amended so as to contain most of the revisions proposed by the Department of Agriculture and incorporated in H.R. 5359, a clean bill that was being considered in lieu of H.R. 4353." (p. D606)
7. TRANSPORTATION. Passed as reported H.R. 3203, the trip-leasing bill (pp. 7402-30). The bill would vacate that portion of an ICC order which prohibits motor-vehicle leases of less than 30 days, and would deny to the Commission for the future the power to issue orders which seek to control the duration of such leases. Rejected; 38-136, an amendment by Rep. Hinshaw that would have exempted trucks from ICC regulations on their current trip (as to duration of trip and price) if their preceding haul had been composed of agricultural or other exempt commodities (pp. 7419-29).
8. HOUSING. The Rules Committee reported a resolution providing for the consideration of H.R. 5456, to extend to June 30, 1954, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title 3 of the Servicemen's Readjustment Act of 1944 (pp. 7397, 7441-42).
9. PERSONNEL. Agreed to the Senate amendment to H.R. 4126, to continue employee war-risk hazard and detention benefits until July 1, 1954 (p. 7402). This bill will now be sent to the President.
10. POSTAL RATES. The Post Office and Civil Service Committee ordered reported (but did not actually report) S. 971, to authorize films and related material for educational use to be transmitted through the mails at the rate provided for books (p. D607).
11. ELECTRIFICATION. The Public Works Committee ordered reported (but did not actually report) H.R. 4351, authorizing Niagara River power development by private enterprise (pp. D607-08).
12. ST. LAWRENCE SEAWAY. Rep. Bailey spoke against this project, claiming that it would bring serious harm to N. Y. (p. 7400).
13. EXPENDITURES. Rep. Scott urged a cut in Government expenses and support of the president's program to balance the budget (p. 7401).
14. APPROPRIATIONS. Rep. Roosevelt urged that House conferees be appointed on H.R. 4663, first independent offices appropriation bill for 1954, so that action could be completed on this bill (The Senate appointed conferees on May 20) (p. 7401).

ITEMS IN APPENDIX

15. PERSONNEL. Extension of remarks of Sen. Butler on "policy-influencing" positions in the Government, including two newspaper editorials on this subject, one of which states that "in the Dept. of Agriculture alone 20 top posts related to policy are under civil service" (pp. A3971-2).

ber-producing facilities, with testimony favoring the purpose of the proposed legislation, but with certain suggested amendments, from the following witnesses: Kenton T. Cravens, RFC Administrator; Edmund F. Mansure, GSA Administrator; and Ephraim Jacobs, Chief, Legislation and Clearance Section, Antitrust Division, Justice Department. Hearings continue tomorrow.

RECIPROCAL TRADE AGREEMENTS

Committee on Finance: Committee, in executive session, ordered favorably reported with amendments H. R. 5495, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930. Major amendments adopted by the committee would (1) delete from the bill that section increasing membership of the Tariff Commission from 6 to 7, (2) provide that in those cases where the law requires submission of a report to the President, tie decisions shall be reported to the President, and (3) provide certain modifications to title III of the bill dealing with the establishment of a Commission on Foreign Economic Policy.

Committee also favorably reported the nomination of George F. Jameson to be collector of customs at Portland, Oreg.

STATUS OF FORCES TREATY

Committee on Foreign Relations: Committee held hearings on a reservation (proposed by Senator Bricker) to Executive T of the 82d Congress, 2d session, dealing with the status of U. S. forces in NATO countries. Senator Bricker testified in behalf of his reservation, which would provide that U. S. military authority shall have complete jurisdiction over U. S. forces and their dependents in NATO countries, and that the U. S. would

waive jurisdiction over military personnel from NATO countries in the U. S.

Testifying in opposition to adoption of this reservation was Attorney General Herbert Brownell.

Committee recessed subject to call.

SMALL BUSINESS—BATTERY ADDITIVE AD-X2

Select Committee on Small Business: Committee heard further testimony from Dr. A. V. Astin, Director, National Bureau of Standards, who further discussed his Bureau's actions with regard to the lead-acid storage battery additive AD-X2. Dr. Astin was questioned as to any relationship between the National Bureau of Standards and the National Better Business Bureau, and also as to the objectivity of the NBS in handling the case of AD-X2.

The committee also heard testimony from Irwin George Cunningham, Transportation Corps, Department of the Army, and Emerson Blum, of Benicia Arsenal, Stockton, Calif., both of whom testified as to the effectiveness of AD-X2 in prolonging the life of batteries.

Hearings will continue tomorrow with testimony from Dr. Harold Weber, MIT.

INVESTIGATION AND COMMITTEE EXPENDITURES

Committee on Rules and Administration: Committee, in executive session, ordered favorably reported S. Res. 120, extending authority of the Judiciary Committee to examine and review the administration of the Trading With the Enemy Act and the time for reporting the results thereon to January 31, 1954, and S. Res. 121, authorizing additional expenditures of \$10,000 for Committee on Appropriations during 83d Congress.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H. R. 5910-5922; 12 private bills, H. R. 5923-5934; and 4 resolutions, H. J. Res. 283 and 284, and H. Res. 302 and 303, were introduced.

Pages 7397, 7442

Bills Reported: Reports were filed as follows:

Disposition of executive papers (H. Rept. 649);

H. Res. 302, providing for the consideration of, and 1 hour of debate on, H. R. 3884, to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines (H. Rept. 650);

H. Res. 303, providing for the consideration of, and 1 hour of debate on, H. R. 5456, to extend direct housing loans for 1 year and additional funds therefor (H. Rept. 651);

(Adverse) H. Res. 295, declaring that the House of Representatives does not favor Reorganization Plan No. 6, relating to the Department of Defense (H. Rept. 652); and

H. R. 5667, to amend the National Housing Act and other laws relating to housing (H. Rept. 653).

Pages 7441-7442

War-Risk Benefits: H. R. 4126, to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954, was cleared for Presidential action when the House agreed to a Senate amendment thereto.

Page 7402

Trip Leasing: Passed, by a voice vote, H. R. 3203, to amend the Interstate Commerce Act relative to authority of the Commission to regulate the use by motor carriers

of motor vehicles not owned by them, in the furnishing of transportation of property, after rejecting a recommittal motion by a voice vote.

This legislation vacates that portion of the Commission's order which prohibits leases of less than 30 days; also denies to the Commission the power to regulate the amount of the compensation to be paid by a regulated motor carrier for the use of a motor vehicle not owned by such carrier.

Adopted a committee substitute amendment that supplied new text for the bill.

Rejected an amendment that sought to exempt trucks from regulations on their current trip if their preceding haul had been composed of agricultural or other exempt commodities.

H. Res. 272, the rule providing for the consideration of H. R. 3203, was previously adopted. Pages 7402-7430

Aviation: Adopted H. Con. Res. 92, expressing the sense of Congress with respect to important role of women in the development of aviation. Pages 7430-7431

Program for Thursday: Adjourned at 5:34 p. m. until Thursday, June 25, at 11 a. m., when the House will consider H. R. 5728, to authorize the disposal of the Government-owned rubber-producing facilities; and H. R. 5451, making changes in the wheat marketing quota provisions of agricultural laws.

Committee Meetings

FARM CREDIT

Committee on Agriculture: Ordered reported to the House H. R. 4353, the Farm Credit Act of 1953. The bill was amended so as to contain most of the revisions proposed by the Department of Agriculture and incorporated in H. R. 5359, a clean bill that was being considered in lieu of H. R. 4353.

AUSTRIAN WINTER PEAS

Committee on Agriculture: The Hoeven subcommittee questioned John E. Tripp, Chief of Procurement and Sales Division, Grain Branch (PMA), in connection with the sale by the Commodity Credit Corporation of 80,000 tons of Austrian winter peas to 3 west-coast concerns. Alleged favoritism by the CCC officials regarding the sale has been denied by that agency. Subcommittee adjourned subject to call of the Chair.

OFFICER PERSONNEL

Committee on Armed Services: The Arends Personnel Subcommittee resumed its executive study and review of the promotion program of officer personnel in the armed services. Officials of the Department of the Air Force presented their views today, and will return for another executive hearing scheduled for Friday morning.

HOUSING

Committee on Banking and Currency: Ordered reported to the House, with amendments, H. R. 5667, to amend the National Housing Act and other laws relating to housing. Some of the amendments were as follows—to extend, for 1 year, title III of the present act relating to grants-in-aid for community facilities; provide for prior commitment authority under section 213 (regarding cooperative housing) be made available until September 1, 1953; and restricted authority of the Administrator under section 504, to issue regulations with respect to discount rates on mortgages sold by original mortgagees.

SCHOOL CONSTRUCTION

Committee on Education and Labor: The McConnell subcommittee continued with its executive consideration of proposed extensions of Public Laws 815 and 874 of the 81st Congress, relative to school construction assistance in federally affected areas. Recessed on the subject until tomorrow morning.

REORGANIZATION—DEFENSE DEPARTMENT

Committee on Government Operations: Voted (16 to 14) to report H. Res. 295 adversely to the House. The resolution was a measure calling for House disapproval of the President's Reorganization Plan No. 6, relating to the Department of Defense.

REORGANIZATIONS—FOREIGN AID AND INFORMATION

Committee on Government Operations: Dr. Robert L. Johnson, International Information Administrator, testified today as the committee concluded consideration of Reorganization Plans Nos. 7 and 8. Plan No. 7 provides for the reorganization of various foreign-aid functions and agencies, and, if enacted, would result in the establishment of a new agency to be known as the Foreign Operations Administration. Plan No. 8, if it becomes law, provides for the reorganization of foreign information functions, and would establish a new agency to be known as the U. S. Information Services.

NEW MEXICAN PROJECT

Committee on Interior and Insular Affairs: Subcommittee on Irrigation and Reclamation approved for reporting to the full committee H. R. 4153, amended, to extend the benefits of the Reclamation Project Act of 1930 to the Arch Hurley Conservancy District, Tucumcari reclamation project, New Mexico. Witnesses heard in support of the bill were Representatives Dempsey (author of the measure) and Fernandez, both of New Mexico; and Floyd Dominy, Assistant Director, Operation and Maintenance Branch, Bureau of Reclamation. Subcommittee adjourned subject to call of the Chair.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 29, 1953

For actions of June 26 and 27, 1953

83rd-1st, Nos. 117 and 118

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bills on Interior appropriations, Commission on Organization, and Army flood control. House passed temporary appropriations measure, and Senate committee reported it. House took final legislative action on leave and intergovernmental-relations bills. House passed farm-loans bills. Senate committee reported trade-agreements bill. House committee reported Alaska statehood bill.

SENATE - June 26

1. APPROPRIATIONS. Passed with amendments H. R. 4828, the Interior Department appropriation bill for 1954 (pp. 7575-82). Senate conferees were appointed (p. 7581). Began debate on H. R. 5376, the Army civil functions appropriation bill for 1954 (p. 7583).
2. TRADE AGREEMENTS. The Finance Committee reported with amendments H. R. 5495, to extend and amend the Reciprocal Trade Agreements Act (S. Rept. 472)(p. 7583).

HOUSE - June 26

3. EMERGENCY POWERS. Passed without amendment H. J. Res. 285, to continue certain emergency powers from July 1 to Aug. 1, 1953, which had been reported earlier in the day without amendment by the Judiciary Committee (H. Rept. 679)(pp. 7587, 7627).
4. ALASKA STATEHOOD. The Interior and Insular Affairs Committee reported with amendment H. R. 2952, to provide for Alaska statehood (H. Rept. 675)(p. 7627).
5. WEATHER RESEARCH. The Armed Services Committee reported without amendment H. Res. 280, directing the Federal Civil Defense Administration to report on the effect of atomic explosions on the weather (H. Rept. 641)(p. 7627).
6. HANDICAPPED PERSONS. Rep. Perkins spoke in favor of a Federal Agency for Handicapped (p. 7588).

BILLS INTRODUCED - June 26

7. PUBLIC LANDS. S. 2225, by Sen. Cordon, and H. R. 5958, by Rep. Ellsworth, "relating to the administrative jurisdiction of certain public lands in the State of Oregon"; to Interior and Insular Affairs Committees (pp. 7583, 7628).
8. FOREIGN AID. H. R. 5954, by Rep. Judd, to authorize CCC to transfer certain surplus commodities to MSA for sale to countries participating in the mutual security program; to Agriculture Committee (p. 762C).

HOUSE - June 27

9. TAXATION. The Rules Committee reported a resolution for consideration of H. R. 5899, to continue the excess-profits tax until Dec. 31, 1953 (p. 7707).
10. TEMPORARY APPROPRIATIONS. Passed with amendment H. J. Res. 287, making temporary appropriations for the fiscal year 1954, which had been reported without amendment earlier in the day (pp. 7719, 7753-4) (H. Rept. 681). Chairman Taber said: "...this is a joint resolution introduced for the purpose of providing appropriations which it has not been possible to enact into a law to keep the Departments and Agencies of the Government in operation for the month of July. We have provided that the lower amount adopted by either body shall govern where there is a difference, and both Houses have passed the bill. We have provided that where a bill has only passed one body, that the amount that the House has provided, the lower amount of the House provision or the budget, should govern. We have prohibited embarking upon new projects unless they are included in both bills."
11. DEFENSE APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 5969, the Defense Department appropriation bill for 1954 (H. Rept. 680) (p. 7719).
12. COMPTROLLER GENERAL. The Government Operations Committee reported with amendment H. R. 5228, to amend Sec. 303 of the Budget and Accounting Act relating to the term of office of the Comptroller General (H. Rept. 684) (p. 7761).
13. FARM LOANS. Passed without amendment H. R. 5456, to extend to June 30, 1954, the direct home and farmhouse loan authority of the Veterans' Administration under title III of the Servicemen's Readjustment Act and to authorize increased interest rates on such loans (pp. 7719-20, 7729-30).
Passed with amendment S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act with respect to maximum interest rates, authorizing increases from 4% to 4½% (pp. 7733-4).
14. PERSONNEL LEAVE. Agreed to, 269-65, the conference report on H. R. 4654, to repeal the Thomas leave rider and amend the Annual and Sick Leave Act (pp. 7720-9). This bill will now be sent to the President.
15. WEATHER RESEARCH. Laid on the table H. Res. 283, directing the Commerce Department to furnish information about the effect of atomic explosions on the weather (pp. 7729, 7731). The resolution had been reported adversely earlier in the day (p. 7761). This action was taken because the information had been furnished.
16. INTERGOVERNMENTAL RELATIONS. Agreed to the Senate amendment to the House amendment to S. 1514, to establish a Commission on Intergovernmental Relations (p. 7731). This bill will now be sent to the President.

TRADE AGREEMENTS EXTENSION ACT OF 1953

JUNE 26 (legislative day, JUNE 8), 1953.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 5495]

The Committee on Finance, to whom was referred the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

PURPOSES

The purposes of H. R. 5495 as reported are:

1. As requested by the President, to extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements.
2. To reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause.
3. To provide for action in case of tie or split votes within the United States Tariff Commission.
4. To establish a bipartisan commission to be known as the Commission on Foreign Economic Policy which will provide the mechanism for a thorough examination of international trade and its relationship to our foreign economic policy. This study is to be made available to the Congress and the President.

AMENDMENTS

The Finance Committee did not agree with the section of the House bill (title II, sec. 201) which would increase the membership of the Tariff Commission from 6 to 7. In lieu of this provision, the committee approved an amendment which would prevent tie votes in the

Commission from blocking the submission of findings or recommendations to the President in any case where the President is authorized to receive such findings or recommendations. (See analysis under "General statement.")

With the exception of the above, the Finance Committee in general accepted the salient features of the bill H. R. 5495. In the title providing for a commission to study and report on features of our foreign economic policy, several changes were made. One would make it possible for any 9 of the 17 members of the Commission to constitute a quorum, rather than the requirement that a specified number from each of the 3 groups of members be present to make up a quorum. The other important change was in the language of the section establishing the duties of the Commission. Both of these changes are explained in full under the heading "General statement."

GENERAL STATEMENT

One-year extension (title I, sec. 101)

H. R. 5495 would extend for 1 year, until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements. The importance of this extension is emphasized in the following message sent to the Congress by the President of the United States on April 7, 1953:

To the Congress of the United States:

In my state of the Union message I recommended that "the Congress take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation."

I now recommend that the present act be renewed for the period of 1 year.

I propose this action as an interim measure. As such, it will allow for the temporary continuation of our present trade program pending completion of a thorough and comprehensive reexamination of the economic foreign policy of the United States.

I believe that such a reexamination is imperative in order to develop more effective solutions to the international economic problems today confronting the United States and its partners in the community of free nations. It is my intention that the executive branch shall consult with the Congress in developing recommendations based upon the studies that will be made.

Our trade policy is only one part, although a vital part, of a larger problem. This problem embraces the need to develop, through cooperative action among the free nations, a strong and self-supporting economic system capable of providing both the military strength to deter aggression and the rising productivity that can improve living standards.

No feature of American policy is more important in this respect than the course which we set in our economic relations with other nations. The long-term economic stability of the whole free world and the overriding question of world peace will be heavily influenced by the wisdom of our decisions. As for the United States itself, its security is fully as dependent upon the economic health and stability of the other free nations as upon their adequate military strength.

The problem is far from simple. It is a complex of many features of our foreign and domestic programs. Our domestic economic policies cast their shadows upon nations far beyond our borders. Conversely, our foreign economic policy has a direct impact upon our domestic economy. We must make a careful study of these intricate relationships in order that we may chart a sound course for the Nation.

The building of a productive and strong economic system within the free world—one in which each country may better sustain itself through its own efforts—will require action by other governments, as well as by the United States, over a wide range of economic activities. These must include adoption of sound internal policies, creation of conditions fostering international invest-

ment, assistance to underdeveloped areas, progress toward freedom of international payments and convertibility of currencies and trade arrangements aimed at the widest possible multilateral trade.

In working toward these goals, our own trade policy as well as that of other countries should contribute to the highest possible level of trade on a basis that is profitable and equitable for all. The world must achieve an expanding trade, balanced at high levels, which will permit each nation to make its full contribution to the progress of the free world's economy and to share fully the benefits of this progress.

The solution of the free world's economic problem, is a cooperative task. It is not one which the United States, however strong its leadership and however firm its dedication to these objectives, can effectively attack alone. But two truths are clear: the United States share in this undertaking is so large as to be crucially important to its success—and its success is crucially important to the United States. This last truth applies with particular force to many of our domestic industries and especially to agriculture with its great and expanding output.

I am confident that the governments of other countries are prepared to do their part in working with us toward these common goals, and we shall from time to time be consulting with them. The extension for 1 year of the present Reciprocal Trade Agreements Act will provide us the time necessary to study and define a foreign economic policy which will be comprehensive, constructive, and consistent with the needs both of the American economy and of American foreign policy.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 7, 1953.

Reduction in time for the Tariff Commission to make its investigation and report (title I, sec. 102)

Under the present law (sec. 7 of the Trade Agreements Extension Act of 1951) the Tariff Commission has 1 year from the time relief under the escape clause is requested to complete its investigation and report. H. R. 5495 reduces this time to 9 months. This reduction should not hamper the Tariff Commission in its work, but it will facilitate the operation of this section of the Trade Agreements Act.

Effect of divided vote in certain cases (title II, sec. 201)

The bill, as sent to the Senate, contained a section which would have increased the membership of the United States Tariff Commission from 6 to 7. The Finance Committee did not agree with this provision, although it recognized the possibility that tie or split votes within the Commission might, in some cases, prevent a decision in escape clause and other proceedings involving the sending of reports to the President. It, therefore, amended this section to provide that (a) one-half of the number of Commissioners voting unanimously may be considered a majority by the President; (b) provided that if the Commissioners voting are divided into 2 equal groups, each of which is unanimous, the President may consider either of the 2 sets of findings (or recommendations) as the findings (or recommendations) of the Commission. The committee emphasizes that neither under existing law nor under the committee amendment is the President required to comply with the findings or recommendations of the Tariff Commission.

In the discussion of this problem the Finance Committee took into careful consideration the study to be made by the Commission on Foreign Economic Policy and the fact that one of the specific items to be carefully studied by that group is the Tariff Commission and its operation. The committee also was conscious of the fact that trade agreement legislation will be discussed again next year and that Congress will have the opportunity to study and to adopt or reject the recommendations of the Commission on Foreign Economic Policy with respect to these matters.

Establishment of Commission on Foreign Economic Policy (title III)

President Eisenhower in a message to Congress on April 7 referred to the need for a complete examination of our foreign economic policy. In a letter to the President of the Senate on May 1, 1953, he recommended that a commission be established to make this study. That letter is as follows:

THE WHITE HOUSE,
Washington, May 1, 1953.

The VICE PRESIDENT,
The United States Senate, Washington, D. C.

DEAR MR. VICE PRESIDENT: In the message which I sent to the Congress on April 7 requesting a 1-year extension of the present Reciprocal Trade Agreements Act, I referred to the need for a thorough reexamination of our whole foreign economic policy.

I now recommend that a commission be established to make this review. The review should provide the basis for action during the next session of the Congress.

It is my belief that the proposed Commission should be made up of Members of the Congress appointed by the Vice President and the Speaker of the House, and members appointed by myself from outside the Congress. It should be representative of both major parties. This is appropriate since commercial policy is an integral part of our total foreign policy for which broad national support is vital.

This Commission naturally should work within the framework of our foreign policy and our global defense plans. Close liaison should be maintained with the group set up under the auspices of the State Department to follow up the economic and financial talks held earlier this spring between the United States and various European countries.

The Commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains.

An inquiry of this nature is imperative. The economic policy of this Nation exercises such a profound influence on the entire free world that we must consider carefully each step we take. Changes in foreign economic policy—even those which at first have relatively slight consequences within this country—may either strengthen our allies or plunge them into a downward spiral of trade and payment restrictions, lower production, and declining living standards.

Our foreign economic policy also has important implications here at home. Declining imports will necessarily mean falling exports, resulting in a serious loss of markets for our agriculture and other industries. Expanded imports may require some adjustments in our country. We must make sure that changes in foreign economic policy consonant with our position as the world's greatest creditor nation do not benefit particular groups at the expense of the national welfare, but we must also make sure that such changes do not place unequal burdens on particular groups.

As I indicated in my previous message, the achievement of a strong and self-supporting economic system in the free world, capable of providing adequate defense against aggression and of achieving rising standards of living, must be a cooperative effort. Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance.

In launching a broad-gage study into the question of what our foreign economic policy should be, I think we can prepare the way for a fuller utilization of the economic strength of the free world in the cause of peace and prosperity.

Sincerely,

DWIGHT D. EISENHOWER.

In accordance with the President's request, the Senate Committee on Finance reported favorably on Senate Joint Resolution 78, a bill to establish a Commission on Foreign Economic Policy (Committee

Rept. No. 292). This bill was adopted by the Senate on May 19, 1953, and sent to the House of Representatives.

H. R. 5495, the bill which is the basis of this report, in title III also establishes a temporary bipartisan commission to be known as the Commission on Foreign Economic Policy. This bill is similar in most respects to the one adopted by the Senate, Senate Joint Resolution 78. The following discussion of the organization and functions of this Commission will identify the major differences between the two bills:

Senate Joint Resolution 78, as adopted by the Senate, provided for a study commission composed of 11 members; 5 appointed by the President, 3 by the Vice President from the Members of the Senate, and 3 by the Speaker of the House from the Members of the House. The present bill, H. R. 5495, increases the membership to 17, with 7 to be appointed by the President, with not more than 4 from the same political party, 5 by the Vice President from the Members of the Senate, and 5 by the Speaker of the House from the Members of the House, with not more than 3 of each group, respectively, from the same political party. The Finance Committee agrees with the House bill.

The Senate bill provided for election of a Chairman and Vice Chairman by the membership of the Commission, whereas the House bill provides that the Chairman and Vice Chairman shall be appointed by the President. The Finance Committee concurs in this change.

In the bill, as reported, a quorum of the Commission is constituted whenever any nine members are present. This provision is similar to the one in Senate Joint Resolution 78, which provided that a quorum could be composed of any 6 of the 11 members which would have made up the Commission had that bill been adopted. In the bill H. R. 5495, as sent to the Senate, it was specified that a majority of the members appointed by the President, plus a majority of the members appointed by the Vice President, plus a majority of the members appointed by the Speaker of the House must be present before a quorum of the Commission can be constituted.

The Finance Committee disagreed with the House version. Under this method action could be blocked by any one of the three groups even though all members of both other groups were present. In some instances as many as 14 of the 17 members could be present, and yet no official action could be taken because no official quorum would be present. The Finance Committee, therefore, adopted an amendment providing that any nine members could make up a quorum.

The Senate bill, Senate Joint Resolution 78, and the bill which is the subject of this report, H. R. 5495, contained almost identical wording in the sections having to do with the compensation of members of the Commission and of temporary appointees to the staff. The wording of the House bill is accepted by the Finance Committee.

The same situation prevails with regard to the sections of both bills concerning the recommendations and expiration of the Commission and its expenses and staff. The House language in these sections has been accepted by the Finance Committee.

The House bill specified very broad duties for the Commission but directed its studies to be "within the framework of our foreign policy and national security objectives." The Finance Committee amended

the House bill by deleting this statement of the general duties of the Commission and inserting the language of Senate Joint Resolution 78 which directs the Commission to "examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for its sound enlargement," which will permit studies and recommendations as to the proper relationship between our international trade and our foreign and national security policies.

Among other things the Commission is to consider and report on applicable provisions of the Constitution of the United States; laws, regulations, and practices of the United States relating to international trade; departments, agencies, boards, etc., dealing with these matters; laws, regulations, and practices of other countries concerned with similar subject matters; statistics; balance of payments; relationship of our foreign economic policies to total foreign policy; effect of our foreign-aid program; effect of wars and emergencies and of technological advances; international instrumentalities such as the General Agreement on Tariffs and Trade; foreign investment capital; effect of a wide range of international trade factors and practices; and the effect of existing and proposed trade policies on the promotion of peace and security.

The Commission is empowered to hold hearings and to otherwise obtain data for use in its studies; it may request any information it deems necessary from other Government departments. Senate Joint Resolution 78, the Senate bill which would have established this Commission, contained a provision empowering the Chairman of the Commission to issue subpoenas in connection with the study. This provision was not a part of the House bill, H. R. 5495. The Finance Committee agreed to the omission of this proviso and approved the House language.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 7 (a) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951 (PUBLIC LAW 50, 82D CONG.)

SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than [one year] *nine months* after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

* * * * *

SECTION 330 OF THE TARIFF ACT OF 1930, AS AMENDED (19 U. S. C., SEC. 1330)

SEC. 330. ORGANIZATION OF THE COMMISSION

* * * * *

(d) *EFFECT OF DIVIDED VOTE IN CERTAIN CASES.*—Whenever, in any case calling for findings of the commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the commission: Provided, That if the commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the commission.



83^d CONGRESS
1ST SESSION

H. R. 5495

[Report No. 472]

IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Finance

JUNE 26 (legislative day, JUNE 8), 1953

Reported by Mr. MILLIKIN, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Ex-
4 tension Act of 1953".

5 **TITLE I—FOREIGN-TRADE AGREEMENTS**

6 **SEC. 101. EXTENSION OF AUTHORITY.**

7 The period during which the President is authorized to
8 enter into foreign-trade agreements under section 350 of the
9 Tariff Act of 1930, as amended and extended (19 U. S. C.,
10 sec. 1351), is hereby extended for a further period of one
11 year from June 12, 1953.

1 **SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COM-**
 2 **MISSION.**

3 The first paragraph of subsection (a) of section 7 of
 4 the Trade Agreements Extension Act of 1951 (19 U. S. C.,
 5 sec. 1364) is hereby amended by striking out "one year"
 6 and inserting in lieu thereof "nine months". In the case of
 7 any application made under such first paragraph before the
 8 date of the enactment of this Act, the United States Tariff
 9 Commission shall make its report not later than whichever
 10 of the following is the earlier: (1) one year after the ap-
 11 plication was made, or (2) nine months after the date of
 12 the enactment of this Act.

13 **TITLE II—UNITED STATES TARIFF**
 14 **COMMISSION**

15 **SEC. 201. MEMBERSHIP AND TERMS OF OFFICE.**

16 ~~(a) IN GENERAL.~~—Subsections ~~(a)~~ and ~~(b)~~ of sec-
 17 tion 330 of the Tariff Act of 1930, as amended ~~(19 U. S. C.,~~
 18 ~~sec. 1330)~~, are hereby amended to read as follows:

19 ~~"(a) MEMBERSHIP.~~—The United States Tariff Com-
 20 mission ~~(referred to in this title as the 'Commission')~~ shall
 21 be composed of seven Commissioners appointed by the Presi-
 22 dent by and with the advice and consent of the Senate. No
 23 person shall be eligible for appointment as a Commissioner
 24 unless he is a citizen of the United States, and, in the judg-
 25 ment of the President, is possessed of qualifications requisite

1 for developing expert knowledge of tariff problems and
2 efficiency in administering the laws administered by the
3 Commission. Not more than four of the Commissioners
4 shall be members of the same political party.

5 “(b) TERMS OF OFFICE.—The term of office of a Com-
6 missioner shall expire seven years from the expiration of
7 the term for which his predecessor was appointed; except
8 that any Commissioner appointed to fill a vacancy occurring
9 prior to the expiration of the term for which his predecessor
10 was appointed shall be appointed for the remainder of such
11 term.”

12 (b) EFFECTIVE DATE.—Notwithstanding section 330
13 of the Tariff Act of 1930, as amended by subsection (a)—

14 (1) the term of office of any Commissioner in office
15 on the date of the enactment of this Act, and the term
16 of office of any Commissioner appointed to fill a vacancy
17 in a term of office which commenced before such date
18 of enactment, shall expire at the time provided therefor
19 by such section 330 as in effect on the day prior to such
20 date of enactment;

21 (2) the term of office of the Commissioner ap-
22 pointed to succeed the Commissioner whose term of
23 office expires June 16, 1953, shall expire at the close
24 of June 16, 1959; and

25 (3) the first term of office of the additional Com-

1 missioner provided for by the amendment made by
2 subsection (a) shall expire at the close of June 16, 1960.

3 SEC. 201. EFFECT OF DIVIDED VOTE IN CERTAIN CASES.

4 Section 330 of the Tariff Act of 1930, as amended, is
5 hereby amended by adding a new subsection (d) reading as
6 follows:

7 “(d) *EFFECT OF DIVIDED VOTE IN CERTAIN*
8 *CASES.*—Whenever, in any case calling for findings of the
9 commission in connection with any authority conferred upon
10 the President by law to make changes in import restrictions,
11 a majority of the commissioners voting are unable to agree
12 upon findings or recommendations, the findings (and recom-
13 mendations, if any) unanimously agreed upon by one-half
14 of the number of commissioners voting may be considered by
15 the President as the findings and recommendations of the
16 Commission: Provided, That if the commissioners voting
17 are divided into two equal groups each of which is unani-
18 mously agreed upon findings (and recommendations, if any),
19 the findings (and recommendations, if any) of either group
20 may be considered by the President as the findings (and
21 recommendations, if any) of the commission.”

1 **TITLE III—ESTABLISHMENT OF COMMIS-**
2 **SION ON FOREIGN ECONOMIC POLICY**

3 **SEC. 301. ESTABLISHMENT OF THE COMMISSION.**

4 There is hereby established a bipartisan commission to
5 be known as the Commission on Foreign Economic Policy
6 (in this title referred to as the "Commission").

7 **SEC. 302. MEMBERSHIP OF THE COMMISSION.**

8 (a) **NUMBER AND APPOINTMENT.**—The Commission
9 shall be composed of seventeen members as follows:

10 (1) Seven appointed by the President of the United
11 States;

12 (2) Five appointed from the Senate by the Vice
13 President of the United States; and

14 (3) Five appointed from the House of Repre-
15 sentatives by the Speaker of the House of Representa-
16 tives.

17 (b) **POLITICAL AFFILIATION.**—Of the first class of
18 members specified in subsection (a), no more than four
19 members shall be from the same political party. Of the
20 second and third classes of members specified in subsection
21 (a), no more than three members from each class shall
22 be from the same political party.

1 SEC. 303. ORGANIZATION OF THE COMMISSION.

2 The President shall designate the member of the Com-
3 mission who shall be the Chairman, and the member who
4 shall be the Vice Chairman.

5 SEC. 304. QUORUM.

6 Four members of the class specified in paragraph (1)
7 of section 302 (a), three members of the class specified
8 in paragraph (2) thereof, and three members of the class
9 specified in paragraph (3) thereof shall constitute a quorum;
10 but a lesser number may conduct hearings.

11 *Nine members of the Commission shall constitute a*
12 *quorum.*

13 SEC. 305. COMPENSATION OF MEMBERS OF THE COMMIS-
14 SION.

15 (a) MEMBERS OF CONGRESS.—Members of Congress
16 who are members of the Commission shall serve without
17 compensation in addition to that received for their services
18 as Members of Congress; but they shall be reimbursed for
19 travel, subsistence, and other necessary expenses incurred
20 by them in the performance of the duties vested in the
21 Commission.

22 (b) MEMBERS FROM THE EXECUTIVE BRANCH.—The
23 members of the Commission who are in the executive branch
24 of the Government shall each receive the compensation
25 which he would receive if he were not a member of the Com-

1 mission, but they shall be reimbursed for travel, subsistence,
2 and other necessary expenses incurred by them in the per-
3 formance of the duties vested in the Commission.

4 (c) MEMBERS FROM PRIVATE LIFE.—The members
5 from private life shall receive not to exceed \$75 per diem
6 when engaged in the performance of duties vested in the
7 Commission, plus reimbursement for travel, subsistence, and
8 other necessary expenses incurred by them in the perform-
9 ance of such duties.

10 **SEC. 306. STAFF OF THE COMMISSION.**

11 (a) APPOINTMENT OF PERSONNEL.—The Commission
12 may appoint such personnel as it deems advisable, without
13 regard to the civil-service laws, and shall fix the compensa-
14 tion of such personnel in accordance with the Classification
15 Act of 1949, as amended. The Commission may procure
16 temporary and intermittent services in accordance with sec-
17 tion 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a),
18 but at rates not to exceed \$75 per diem for individuals. The
19 Commission may reimburse employees, experts, and consult-
20 ants for travel, subsistence, and other necessary expenses
21 incurred by them in the performance of their official duties
22 and make reasonable advances to such persons for such
23 purposes.

24 (b) CERTAIN LAWS NOT TO APPLY.—Except for mem-
25 bers of the Commission appointed by the Vice President or

1 the Speaker of the House, and except for any member of
2 the Commission who may be appointed by the President
3 from the executive branch of the Government, service of an
4 individual as a member of the Commission, employment of
5 an individual pursuant to the first sentence of subsection
6 (a), and service by a person pursuant to the second sentence
7 of subsection (a), shall not be considered as service or em-
8 ployment bringing such person within the provisions of
9 section 281, 283, 284, or 1914 of title 18 of the United
10 States Code, or section 412 of the Mutual Defense As-
11 sistance Act of 1949, as amended (22 U. S. C., sec. 1584),
12 or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

13 **SEC. 307. EXPENSES OF THE COMMISSION.**

14 There is hereby authorized to be appropriated, out of
15 any money in the Treasury not otherwise appropriated, so
16 much as may be necessary to carry out the provisions of
17 this title.

18 **SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.**

19 (a) **REPORT.**—Within sixty days after the second
20 regular session of the Eighty-third Congress is convened, the
21 Commission shall make a report of its findings and recom-
22 mendations to the President and to the Congress.

23 (b) **EXPIRATION OF THE COMMISSION.**—Ninety days
24 after the submission to the Congress of the report provided

1 for in subsection (a) of this section, the Commission shall
2 cease to exist.

3 **SEC. 309. DUTIES OF THE COMMISSION.**

4 ~~(a) IN GENERAL.—The Commission is directed, within~~
5 ~~the framework of our foreign policy and national security~~
6 ~~objectives, to examine, study, and report on the subject~~
7 ~~of the foreign economic policy of the United States and to~~
8 ~~recommend policies, measures, and practices that will encour-~~
9 ~~age further investment overseas and currency convertibility,~~
10 ~~and foster the highest possible levels of trade consistent with~~
11 ~~the national security and a strong domestic economy.~~

12 *(a) IN GENERAL.—The Commission is directed to ex-*
13 *amine, study, and report on the subject of international trade*
14 *and to recommend policies, measures, and practices for stimu-*
15 *lating its sound enlargement.*

16 **(b) CERTAIN OF THE MATTERS TO BE CONSIDERED**
17 **AND REPORTED ON.**—Without limiting the general scope of
18 the direction to the Commission contained in subsection (a),
19 the Commission shall consider, and shall report on, the
20 following matters:

21 (1) (A) Applicable provisions of the Constitution
22 of the United States;

23 (B) Laws, regulations, and practices of the United
24 States relating to international trade, including such

1 matters as tariffs, customs, customs administration, trade
2 agreements, peril point and escape procedures, opinions
3 and decisions thereon of the United States Tariff Com-
4 mission and the President, import and export quotas,
5 monetary licenses, countervailing duties, and procure-
6 ment preferences;

7 (C) Departments, agencies, boards, commissions,
8 bureaus, and other instrumentalities of the United
9 States having jurisdiction over, or dealing with, these
10 matters;

11 (D) Laws, regulations, and practices and official in-
12 strumentalities of other nations concerned with similar
13 subject matters;

14 (E) Pertinent statistics on international trade; and

15 (F) Balance of payments, nation by nation; and
16 the causes and effects of, and proposed remedies for,
17 excessive imbalances.

18 (2) Relationship of our foreign economic policies
19 to, and their influences on, our total foreign policy;
20 and the proper relationship of each to the other.

21 (3) Effect of our foreign aid and military defense
22 programs on international trade and international bal-
23 ance of payments.

24 (4) Foreign markets of trading nations—extent and

1 nature; and the effect thereon of wars, other emer-
2 gencies, technological advances, international relations,
3 and other pertinent factors.

4 (5) International instrumentalities, organizations,
5 and agreements and practices affecting trade, such as the
6 General Agreement on Tariffs and Trade, Customs
7 Unions, Organization for European Economic Coopera-
8 tion, International Wheat Agreement, cartels, European
9 Payments Union, European Coal and Steel Community,
10 and International Monetary Fund.

11 (6) Foreign investment capital and the flow of in-
12 vestment capital between nations—need thereof—restric-
13 tions thereon—inducements necessary to encourage—
14 role of the Export-Import Bank and of the International
15 Bank for Reconstruction and Development.

16 (7) Effects on international trade of factors such as
17 costs of production and pricing, labor practices and stand-
18 ards, general living standards, currency manipulation, in-
19 convertible currencies, official inflationary policies, cur-
20 rency devaluations, exchange controls and licenses,
21 quotas, embargoes, dumping and pricing practices, mul-
22 tiple currencies, bilateral trade agreements, barter ar-
23 rangements, customs procedures, marking and transit
24 problems, concealed regulation of exports and imports,

1 preferential tariff systems, most-favored nation treat-
2 ment, government monopolies, state-controlled econo-
3 mies, state trading, and state-subsidized trading.

4 (8) Effect of existing and proposed trade policies
5 on the promotion of peace and security and the better-
6 ment of political, social, and economic life, domestic and
7 foreign.

8 **SEC. 310. POWERS OF THE COMMISSION.**

9 (a) **HEARINGS AND SESSIONS.**—The Commission or,
10 on the authorization of the Commission, any subcommittee or
11 member thereof, shall have power to hold hearings and to
12 sit and act at such times and places, within the United
13 States or elsewhere, to take such testimony, and to make such
14 lawful expenditures, as the Commission or such subcom-
15 mittee or member may deem advisable.

16 (b) **OBTAINING OFFICIAL DATA.**—The Commission is
17 authorized to request from any department, agency, or inde-
18 pendent instrumentality of the Government any informa-
19 tion it deems necessary to carry out its functions under this
20 title; and each such department, agency, and instrumentality
21 is authorized to furnish such information to the Commission,
22 upon request made by the Chairman or by the Vice Chair-
23 man when acting as Chairman.

Passed the House of Representatives June 15, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83^d CONGRESS
1ST SESSION

H. R. 5495

[Report No. 472]

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

JUNE 16 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Finance

JUNE 26 (legislative day, JUNE 8), 1953

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 2, 1953
For actions of July 1, 1953
83rd-1st, No. 121

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HIGHLIGHTS: Senate passed foreign aid bill. Senate debated trade agreements bill. Sen. Aiken and Rep. Hope introduced, and Sen. Aiken discussed, emergency-loans bill for farmers and stockmen.

SENATE

1. FOREIGN AID. Passed with amendments H. R. 5710, to extend the Mutual Security Act (pp. 7995-8015, 8017-28). Senate conferees were appointed (p. 8028).
Agreed to the following amendments:
 - By Sen. Thye, stating U. S. policy to encourage foreign free enterprise and labor unions and to discourage cartels (pp. 7996-8).
 - By Sen. Mansfield, providing that the mutual security program shall end June 30, 1955 (instead of 1956) and that appropriated funds, if obligated by that date, may remain available for 1 year thereafter (instead of 3 years thereafter) (pp. 7998-8000).
 - By Sen. McClellan, modified, by a 49-35 vote, providing that the President shall make available certain amounts for military assistance to eligible countries through currency conversion agreements involving purchase of U. S. agricultural commodities (pp. 8001-10, 8021-3).
 - By Sen. Saltonstall, providing that funds for mutual defense, if obligated before June 30, 1955, may remain available for 2 years thereafter (p. 8021).

Rejected, 34-48, moves by Sen. Long to cut the authorization by \$2 billion, and also rejected, 38-42, an attempt by Sen. Long to reduce the amount to the House figure (pp. 8023-8).
2. TRADE AGREEMENTS. Began debate on H. R. 5495, to extend the reciprocal trade agreements program (pp. 8028-31).
3. DISASTER RELIEF. The Public Works Committee reported with amendments S. 2199, to allow State and local governments during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government (S. Rept. 489) (p. 7980).

4. LAND TRANSFERS. The Agriculture and Forestry Committee reported without amendment S. 1400, to permit the Department to release the reversionary rights of the U. S. to a tract of rural-rehabilitation land in Wake County, N. C. (S. Rept. 490), and S. 2163, to authorize conveyance to N. C. of certain lands and improvements constituting the U. S. cotton field station at Statesville, N. C. (S. Rept. 491) (p. 7981).
5. WHEAT IMPORTS. The Agriculture and Forestry Committee reported without amendment S. Res. 127, to direct the Committee to investigate importation of wheat classified as unfit for human consumption and to report to the Senate by Jan. 31, 1954 (S. Rept. 492) (p. 7981). Referred to Rules and Administration Committee.
6. PERSONNEL. Sen. Carlson inserted a table showing countries in which alien U. S. employees are under the Civil Service Retirement Act (pp. 8020-1).
7. APPROPRIATIONS. In reporting the Labor-HEW appropriation bill for 1954 (see Digest 119), the Appropriations Committee concurred in the House figure of \$1,250,000 (\$350,000 under the revised estimate) for the Mexican farm labor program. It also concurred in the House action providing \$18,673,261, the original estimate, for vocational education. The Committee recommended a limitation on such education in the distributive occupations, and the committee report said this would prevent funds from being diverted from agriculture, home economics, etc.
8. SOCIAL SECURITY. Sen. Morse inserted an Oreg. Grange resolution favoring extension of the Social Security Act to farmers (p. 7980).
9. FARM PROGRAM. Sen. Langer stated that N. Dak. farmers are discouraged at the drop in farm prices and inserted a constituent's letter favoring wheat acreage allotments instead of quotas and requesting 100% of parity (p. 7995).

HOUSE

10. EXTENSION SERVICE. A Judiciary subcommittee voted to report to the full Committee H. J. Res. 161, to authorize the President to designate 1953 as the 50th Anniversary Year of Farm Demonstration Work (p. D645).
11. APPROPRIATIONS. Began debate on H. R. 5969, the defense appropriation bill for 1954 (pp. 8036-38).
12. EDUCATION. The "Daily Digest" states the Education and Labor Committee "approved a clean bill for reporting...which would amend and extend Public Law 815 (81st Congress) relative to school construction in areas affected by Federal activities" (p. D645).
13. PERSONNEL. The Government Operations Committee submitted part 2 of its report on H. R. 5228, to provide retirement annuities for Comptroller Generals (p. 8092).

BILLS INTRODUCED

14. SOCIAL SECURITY. S. 2260, by Sen. Lehman (for himself and others), to amend the Social Security Act, including its extension to farmers; to Finance Committee (p. 7981). Remarks of author and text of bill (pp. 7981-90).
15. DROUGHT LOANS. S. 2267, by Sen. Aiken (for himself and others), to provide for additional emergency assistance to farmers and stockmen; to Agriculture and

Mr. President, I have a short statement which I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Before the Senate votes on final passage of this bill, I want to reemphasize briefly what is involved here.

First. The bill will make a vital contribution to the security of the United States and to the cause of world peace.

Second. The amounts have been carefully screened and greatly reduced. They have been judged by our experts to be essential to do the job which the defense of the free world requires.

Third. President Eisenhower himself has assured us that the funds authorized in this bill will buy more security for the United States per dollar than a similar amount spent on our own Armed Forces.

Fourth. The authorization is well within the capacity of the American economy to support. Administration leaders who are most anxious to reduce Federal expenditures—including the Secretary of the Treasury—have testified to that fact.

This is perhaps the most opportune moment of the last 3 years for bold and forthright action; but not only is such action opportune at this juncture in world affairs, it is imperative.

We have come up a long, hard road, Mr. President. We may be nearing the top, and it is always the last few feet which are the most difficult. But if the battle is hard for us, we can draw renewed strength from the knowledge that it is also hard for the enemy.

This is the time when a little extra effort can result in very great progress. But if we falter, we fall back and lose much of the progress which we have already made at such great cost.

Mr. President, the mutual security program is beginning to pay off. The Iron Curtain is beginning to come apart at the seams. We see tangible evidence in Berlin, in Czechoslovakia, and in other satellites. The Far East may be next. The Chinese people are not going to kowtow to Moscow forever.

We have got the Kremlin on the run. This is no time to ease the pressure. This is no time to lose the momentum we have built up over the past few years. This is the time to pour it on.

The irresistible power of freedom is at work in the world today, Mr. President. Although it is plain that the general trend of events is in our favor, no one can foresee the precise turn which events may take at any point. In the days ahead, the President of the United States may have to make decisions as momentous and as far-reaching as any which have ever been made by an American Chief Executive. It is no surrender or diminution of the constitutional prerogatives of the Congress to remind the Senate that these decisions may very well be of a kind which can be made only by the President. He can have—and I am sure he will have—the advice and counsel of his Cabinet, of his experts, and of the Congress. But when the advice is given, when the experts pack their briefcases and depart, the decisions remain to be made by the President. He is the constitutional head of our Government. He is the Commander in Chief of our Armed Forces. His is the responsibility which cannot be delegated—and it is a terrible responsibility, Mr. President, exercised at times in terrible loneliness.

It is at times such as this that we owe it, not only to the President but also to ourselves and to the country, to give him the fullest possible measure of support. We may

later, with the benefit of hindsight, debate the wisdom of what he has done. But from the leisurely vantage point of history, we can never feel the awful pressure which was upon him when he did it. And we cannot, in the heat of the moment, have all the facts which the President has.

And so, Mr. President, speaking as one individual Senator who deeply feels his constitutional responsibilities and who is deeply aware of the peril in which we live today, I take this opportunity to give public assurance to the President of the United States that, whatever difficulties may lie ahead for him and for us in this world, he will have my unwavering support. My heart and my prayers are with him.

As one measure of that support, I shall vote "aye" on the passage of this bill.

SEVERAL SENATORS. Vote! Vote! Vote!
Mr. WELKER. Mr. President, I offer an amendment, as follows:

SEC. 610. Notwithstanding the amounts authorized in the act, the aggregate of such amounts shall be reduced by \$1 billion.

Mr. President, that completely nullifies the argument we have heard made to the effect that we are engaging in dilatory tactics and that we want to delay the bill.

I want to say again, as I said last year, that we had better start giving the American taxpayer some consideration. I have repeated over and over again that I believe this is the way to economize. I am happy to join with the distinguished Senator from Louisiana.

By voting on my amendment we would have a direct vote on the matter, and we could not be accused of dilatory tactics. Senators who want to economize will have the opportunity to do so, and to have their names called when the vote is taken.

SEVERAL SENATORS. Vote! Vote! Vote!
Mr. MALONE. Mr. President, will the Senator yield?

Mr. WELKER. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Idaho if he agrees with the junior Senator from Nevada that the taxpayer is the forgotten man.

Mr. WELKER. I certainly agree 100 percent with the distinguished Senator from Nevada, that in this country the American taxpayer is the forgotten man.

The VICE PRESIDENT. The motion to recommit takes precedence over the amendment offered by the Senator from Idaho [Mr. WELKER]. The question is on agreeing to the motion to recommit.

Mr. WELKER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair will inform the Senator from Idaho that the motion to recommit takes precedence over the amendment which the Senator from Idaho has offered.

Mr. WELKER. May I ask my distinguished colleague and coauthor, the Senator from Louisiana [Mr. LONG], to withdraw his motion to recommit?

Mr. LONG. The yeas and nays have been ordered. I would withdraw my motion with the understanding that I would offer my motion again after a vote is had on the Senator's amendment. If I am given unanimous consent to do so, I will withdraw the motion.

Mr. KNOWLAND. I object.

The VICE PRESIDENT. Objection is heard. The question is on agreeing to the motion of the Senator from Louisiana [Mr. LONG] to recommit the bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CASE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CASE. Would a motion to amend the motion to recommit be in order?

The VICE PRESIDENT. The Senator could move to amend the instructions.

Mr. CASE. Could the Senator from Idaho offer an amendment to amend the instructions by changing the date?

The VICE PRESIDENT. The Senator from Idaho could do so.

Mr. WELKER. I do not wish to do that, because I want to get away from the accusation that we are indulging in dilatory tactics. I want to follow a fair and honest course toward a vote on whether or not we in the Senate want to economize.

Mr. CASE. My suggestion was that the motion could be amended by changing the date. It would not have to be July 15. It could be July 10, for example. The motion could be amended to instruct the committee to report back at an earlier date. It could be July 10, for example.

Mr. LEHMAN. Mr. President, I have heard a great deal of glib talk about economy. I am in favor of economy as much as is anyone, any other Senator. But it is not economy to cut appropriations, certainly not appropriations for defense. That is what is proposed to be done today. I do not like taxes any more than does anyone else. I wish they could be cut. I wish the budget could be reduced so that it could be brought into line with revenue. At the same time I am not willing to sacrifice the security of our Nation to the principle of balancing the budget or cutting taxes. That is what is proposed to be done today.

As the Senator from Wisconsin, the distinguished chairman of the Committee on Foreign Relations, has stated, the original recommendation of President Truman, when he submitted his budget, was for \$7,600,000,000. It was reduced by President Eisenhower to approximately \$5,600,000,000, and it was reduced by the committee by \$300 million more. So that there has been already proposed a reduction of \$2 billion. We simply cannot take the chance of cutting it more than that.

Mr. WILEY. It has been reduced by \$2,282,000,000.

Mr. LEHMAN. A reduction has already been made of \$2,282,000,000.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. LEHMAN. It is proposed to cut these very necessary appropriations, which would help to strengthen our allies at a time when we need allies, and when we cannot afford to go it alone.

The senior Senator from Georgia [Mr. GEORGE] said that if ever the Iron Curtain dropped at the Atlantic shore it would be tragic. Of course, it would be tragic. However, unless we encourage our allies abroad, in Europe, and in other areas of the world, to do their part—

and they are not able to do it all by themselves—we will find ourselves without any allies and we will find ourselves alone. Though such a course has been proposed by some persons, it would be the greatest calamity that could possibly occur in the history of our Nation.

So I very much hope that neither the proposal of the distinguished Senator from Louisiana nor the proposal of the distinguished Senator from Idaho will prevail.

I do not think what they propose is economy at all. It is quite the opposite. I think it is extravagance. I believe anything that jeopardizes the safety and the security of our country and the safety and the security of the free world is extravagance, not economy.

Of course it is very easy to talk about economy and about making cuts. All of us would like to do it. However, I beg Senators not to make cuts in appropriations or authorizations which will jeopardize the security of our country and the security of the free world, which of course are completely intertwined. That is what would happen if we further cut the authorizations in the bill.

I feel very sad that we have not authorized a larger amount for mutual security, just as I feel very sad to think that the appropriations for the Air Force are proposed to be cut. I do not believe we can afford to do it. I think we are in a very critical state. I think we are fighting for survival. Some people say they want to fight communism, but they are not fighting communism in the place where it should be fought, and that is abroad. I believe that anything which will weaken our ability to fight the threat of communism, the threat of aggression, whether against the United States or against other parts of the free world, is a very great threat to the peace of the world.

I very much hope the motion of the Senator from Louisiana will be rejected.

Mr. LONG. Mr. President, I modify my motion by changing the date to 4 p. m., July 2. I do this in order to meet any objection on the basis of delay. The motion as thus modified will expedite the taking of action on the bill, because the total authorizations voted by the Senate and the total authorizations voted by the House will be identical, and the only point of difference will be whether individual items should be slightly greater or slightly less.

So the result of agreeing to my motion, as modified, would be that, actually, faster action would be taken; and I submit that by agreeing to the motion, we would be assuring that we would be voting to achieve the same kind of economy the House of Representatives voted to achieve when it passed House bill 5710 and sent it to the Senate.

The VICE PRESIDENT. Since the yeas and nays have been ordered on the motion, the time has passed when the Senator who made the motion can modify it. However, the Senator from Louisiana can move that the motion be amended, and the Chair puts that question at this time:

The question is on agreeing to the motion of the Senator from Louisiana to amend his motion in the way stated.

The motion to amend the motion to recommit was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the motion, as amended, of the Senator from Louisiana, on behalf of himself and the Senator from Idaho, to recommit the bill, with instructions.

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). The majority leader, the Senator from Ohio [Mr. TAFT], has been compelled to leave the Chamber. I have a pair with him. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Under the circumstances, I withhold my vote.

The call of the roll was resumed and concluded.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], the Senator from Indiana [Mr. JENNER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. TOBEY], and the Senator from New York [Mr. IVES] are absent by leave of the Senate; the Senator from New York having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The Senator from Delaware [Mr. FREAR] is paired on this vote with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Tennessee would vote "nay."

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Anderson	Hickenlooper	McClellan
Barrett	Hunt	Mundt
Bricker	Johnson, Colo.	Potter
Bridges	Johnson, S. C.	Robertson
Byrd	Kennedy	Russell
Case	Kuchel	Schoeppel
Douglas	Langer	Smith, Maine
Dworshak	Long	Stennis
Ellender	Malone	Watkins
Goldwater	Martin	Welker
Gore	Maybank	Williams
Griswold	McCarran	Young
Hendrickson	McCarthy	

NAYS—42

Alken	Clements	Flanders
Beall	Cooper	George
Bennett	Cordon	Gillette
Bush	Eastland	Green
Carlson	Ferguson	Hayden

Hennings	Knowland	Pastore
Hill	Lehman	Payne
Hoey	Magnuson	Purtell
Holland	Mansfield	Saltonstall
Humphrey	Millikin	Smith, N. J.
Jackson	Monroney	Sparkman
Johnson, Tex.	Morse	Symington
Kerr	Murray	Thye
Kilgore	Neely	Wiley

NOT VOTING—15

Butler, Md.	Dirksen	Jenner
Butler, Nebr.	Duff	Kefauver
Capehart	Frear	Smathers
Chavez	Fulbright	Taft
Daniel	Ives	Tobey

So the motion to recommit, as amended, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

If there be no further amendment to be proposed, the Chair calls attention to House bill 5710, on the same subject, which is on the calendar.

Mr. WILEY. Mr. President, I move that the Senate now proceed to the consideration of House bill 5710, to amend further the Mutual Security Act of 1951, as amended, as for other purposes; that all after the enacting clause of the bill be stricken out, and that there be substituted therefor the text of Senate bill 2128, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendment and third reading of the House bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, shall it pass? [Putting the question.]

The bill (H. R. 5710) was passed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. WILEY, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. GEORGE, Mr. GREEN, and Mr. SPARKMAN conferees on the part of the Senate.

The VICE PRESIDENT. Without objection, Senate bill 2128 is indefinitely postponed.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the bill be printed showing the amendment of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF TRADE AGREEMENTS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5495, Calendar No. 474.

The VICE PRESIDENT. The clerk will state the bill by its title.

The LEGISLATIVE CLERK. The bill (H. R. 5495) to extend the authority of the President to enter into trade agreements

under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, for the information of the Senate, let me say that if this motion is agreed to, the acting majority leader intends, following such routine matters as may come before the Senate and such remarks as Senators may desire to make, to move a recess of the Senate until 10 o'clock tomorrow morning, when we shall take up the then pending legislation.

The VICE PRESIDENT. The question is on the motion of the Senator from California to proceed to the consideration of House bill 5495.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes, which had been reported from the Committee on Finance with amendments.

ORDER FOR RECESS UNTIL 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it stand in recess until 10 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF AUTHORITY OF THE PRESIDENT TO ENTER INTO TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

THE FOREIGN TRADE AUTHORITY—SUBSTITUTE FOR EXTENSION OF 1934 TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, I send to the desk a substitute which I propose to offer at the proper time to the pending bill, H. R. 5495, and I ask that it be printed and lie on the table.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Without objection, it is so ordered.

Mr. MALONE. Mr. President, the proposed substitute provides that the Congress shall reassume its constitutional responsibility to regulate foreign trade through the proper adjustment of the duties, imposts, and excises, in accordance with the Constitution of the United States. House bill 5495 extends the 1934 Trade Agreements Act for 1 year, namely, to June 12, 1954, and it extends for that length of time the uncertainty of the workers and investors in the small businesses and occupations of this Nation.

Mr. President, I ask unanimous consent that the proposed substitute be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection the amendment in the nature of a substitute, submitted by Mr. MALONE, to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes, was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

DECLARATION OF POLICY

SECTION 1. It is declared, to be the policy of the Congress—

(a) to establish a sound fair-trade basis for the exchange of goods with the foreign nations of the world.

(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress.

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a sound and prosperous national economy on our wage standard of living and employment in industry and agriculture;

(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports;

(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions; and

(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 12, 1953, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

FORMATION OF FOREIGN TRADE AUTHORITY

SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"Sec. 330. Organization of the Foreign Trade Authority

"(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the 'Authority') to be composed of six directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of

tariff problems and efficiency in administering the provisions of this act. Not more than three of the directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) Chairman, Vice Chairman, and salary: The President shall annually designate one of the directors as Chairman and one as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each director shall receive a salary of \$15,000 a year. No director shall actively engage in any business, vocation, or employment other than that of serving as a director."

APPOINTMENT OF SECRETARY

SEC. 4. Title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"(a) Personnel: The Authority shall appoint a secretary who shall receive compensation in accordance with the Classification Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties."

ADMINISTRATION OF TRADE AGREEMENTS

SEC. 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"Sec. 331a. Administration of trade agreements

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Authority is hereby authorized and directed—

"(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930;

"(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act."

PERIODIC ADJUSTMENT OF IMPORT DUTIES

SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"Sec. 336. Periodic adjustment of import duties.

"(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar

article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) The lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"(2) Any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) The policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits;

"(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) The actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) The probable extent and duration of changes in production costs and practices;

"(7) The degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however,* That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided,* That any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this Act: *Provided, however,* That no such quantitative limit shall be imposed contrary to the provisions of any foreign-trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term 'United States' includes the several States and Territories and the District of Columbia;

"(3) the term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"(4) the term 'landed duty paid price' means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

AMENDMENT OF SECTION 337

SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

(a) Subdivision (a) thereof by striking out the word "President" and substituting therefor the word "Authority".

(b) Subdivision (b) thereof is hereby repealed.

(c) Subdivision (d) thereof is hereby repealed.

(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

(e) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writ-

ing, forbid entry thereof until such investigation as the Authority may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

(f) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion: Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS, AND SO FORTH

SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceeding pending before the Commission at such time shall abate by reason of such transfer but shall continue under the provisions of this act.

"(b) Wherever in the Tariff Act of 1930, or in any other law, the terms 'United States Tariff Commission' or 'Commission' occur, such terms shall be construed to mean the 'Foreign Trade Authority' and the 'Authority', respectively."

REAPPLICATION OF SECTION 516 (O)

SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

STATISTICAL ENUMERATION

SEC. 10. Title IV, part III, section 484 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final."

REVISED TEXT OF TARIFF ACT

SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930 as amended.

EFFECTIVE DATE

SEC. 12. This act shall take effect as of June 12, 1953.

Mr. MALONE. Mr. President, the extension for 1 year of the 1934 Trade Agreements Act, named "reciprocal trade," to sell "free trade" to the American people, is provided by House bill 5495.

The proposed substitute providing for a Foreign Trade Authority and a reorganized Tariff Commission would establish a fair-trade basis with foreign countries instead of "free trade."

The Foreign Trade Authority, as an agent of Congress, would continually adjust the duties or tariffs on the basis of fair and reasonable competition, provided that a negative joint resolution by Congress would prevent any certain duty or tariff set by the Authority from becoming effective.

Mr. President, the Senate has just passed by a voice vote an appropriation of the American taxpayers' money to the extent of another \$5¼ billion. Another sum of several billions of dollars from the same source will be sent to Europe for offshore purchases and contracts for equipment and repairs. Additional large amounts, already arranged for, will be sent through the World Bank, and Export-Import Bank, point 4, and other trick organizations.

Mr. President, I may say at this point that for 20 years the extensions of the 1934 Trade Agreements Act was, particularly by the State Department of the past administration, tied up with the appropriations of taxpayers' money to be sent to Europe and to nations elsewhere, in order to make up the trade-balance deficits of those nations until such time as, through this free-trade device, misnamed "reciprocal trade," there could be sold to the American people the idea that the markets of this Nation could be shared in such a way that theoretically there would be no trade-balance deficits.

Mr. President, it will be remembered that repeatedly in the Senate for many years a national trade organization was proposed. The junior Senator from Nevada takes considerable credit for killing the idea. But though we killed the idea temporarily, it seems to be intended to bring it back to life. There is now functioning an international materials congress, and it will be remembered by some that last summer in Mexico City there was an international conference which was attended by about 35 nations. The one idea which resulted from the conference, which the delegates took home to study, was that each nation—meaning the United States, of course—that sold more to other nations than they themselves purchased would make up the difference in cash at the end of the year.

Those three things are what we used to call three-part free-trade proposals to destroy this Nation. They constitute an economic attack on this Nation for the purpose of leveling our standard of living to that of the other nations of the world, so that theoretically there would be perpetual peace. That is the idea of the World Federalists. It leads to one government. The idea was advanced by an English historian, in a book entitled "The Next Step in History." The next step in history, as described by the author, was one government for the Atlantic Pact nations, with other nations to be taken in from time to time. In order to bring that about we would be cut down to their size economically.

Then, of course, the one economic world would be here, and the one political world would follow naturally.

I say, Mr. President, that the workers and investors and the taxpayers are truly the forgotten men of this Nation.

THE ASSOCIATED PRESS

Mr. MORSE. Mr. President, the next item contains something which I think is somewhat amusing. It pertains to my attitude toward the Associated Press. I hold in my hand a letter that I have received from a prominent New York City doctor, who was interested in the newspaper treatment a speech of mine of June 24 received. He took it upon himself to call the Associated Press's office in New York City in protest, and was told that, although they carried some 400 words about the speech, they considered it hogwash.

That means, Mr. President, that I am making great progress in my criticism of the Associated Press. It means that my criticisms are beginning to get under the skins of the officials in charge of the Associated Press. I intend to continue to make criticisms on the floor of the Senate with reference to the Associated Press, so long as they follow the dirty yellow journalism which characterizes that particular news service. I shall continue to bar their reporters from my office until I receive an official apology from the Associated Press for the insulting conduct of their correspondent toward me on the floor of the Senate which caused me to announce that I would refuse all interviews with Associated Press reporters.

I do not give up, Mr. President. I know how vicious and dangerous is the Associated Press as a propaganda organization for poisoning the minds of the American people against any official who they are out to smear. Now, at least from their conversations with some of the people who are calling them and expressing, as they check the RECORD, their criticisms of the way the Associated Press has been handling the speeches of the Senator from Oregon, I am satisfied I am making progress in focusing attention on the brand of journalism of the Associated Press. This letter from a New York City doctor is good proof in support of that conclusion of mine.

I have other evidence that I am making progress, Mr. President. In the last few weeks four newspaper editors in this country have communicated with me, three by writing and one by a personal interview. They said that at first they thought my criticisms of the AP were unfounded and unfair; they could not believe that "Grandma," as they refer to the Associated Press, could possibly be guilty of the unfair journalism of which I had accused the AP. Nevertheless they said they proceeded to apply the test which I have asked on the floor of the Senate to have applied to AP stories about me. They took a series of Associated Press stories and compared them with the CONGRESSIONAL RECORD.

The editors have told me that they wanted me to know that they now believed my criticisms to be fair and just-

fied. They are not big editors on the basis of circulation but their research had satisfied them I was right. They have told me that they propose to make known their criticisms to the big publishers who control the AP service of misrepresentation.

As more and more persons do the kind of checking this doctor did, the editors to whom I have referred, the people in charge of the Associated Press will wake up to the fact that the Senator from Oregon has not been making irresponsible charges on the floor of the Senate against the Associated Press. Other members of the Associated Press will reach the same conclusion as the four to whom I have referred today. They will come to realize that my criticisms are fair and that an Associated Press housecleaning is in order. I am simply calling attention of American readers to the fact that the Associated Press has been following a deliberate course of distortion, misrepresentation, and lying about the Senator from Oregon in story after story. The Associated Press writers have been using very clever phrases and snide adjectives to poison the minds of the people of my State against their Senator.

I tell the Associated Press that I shall fight them to the finish until the members of the Associated Press wake up to what its writers are doing and take the necessary steps to correct the injustice. In the speeches that are to follow in the State of Oregon I shall take the documentation to the people of the State and prove that some of the big editorial writers of Oregon who have been writing in support of "Grandma" are wrong. The readers of my State will discover that I have been correct in my statements about the dirty journalism of the Associated Press.

CONVENTION WITH CANADA RELATING TO PRESERVATION OF HALIBUT FISHERY OF NORTH PACIFIC OCEAN AND BERING SEA—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). As in executive session, the Chair lays before the Senate Executive P, 83d Congress, 1st session, a convention between the United States and Canada for the preservation of the halibut fishery of the northern Pacific Ocean and the Bering Sea, signed at Ottawa on March 2, 1953. Without objection, the injunction of secrecy is removed from the convention, and the convention, together with the President's message, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States and Canada for

the preservation of the halibut fishery of the northern Pacific Ocean and the Bering Sea, signed at Ottawa on March 2, 1953.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, July 1, 1953.

(Enclosures: (1) Report of the Secretary of State. (2) Convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa March 2, 1953.)

RECESS

Mr. KNOWLAND. Mr. President, pursuant to the prior unanimous-consent agreement, I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 55 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, July 2, 1953, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 1 (legislative day of June 27), 1953:

UNITED NATIONS

John Alanson Perkins, of Delaware, to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law:

To be colonels

AIR FORCE

Wilson, Ellis Harold, 743A.
Wilson, Ronald Francis, 748A.
Spillinger, Harry Gordon, 770A.
Hughes, Clayton Earl, 863A.
Monahan, Francis Harold, 1030A.
Cairnes, William Denton, 1225A.
Simpson, Oliver Tillman, Jr., 1308A.
Curbo, Andrew Jackson, Jr., 1313A.
McDowell, George Caldwell, 1344A.
Cain, William Joseph, Jr., 1364A.
Thorpe, Charles Audley, 1383A.
Harman, Leo Vernon, 1410A.
Batterson, Robert Marshall, Jr., 1411A.
Brischetto, Roy Ray, 1455A.
Sisco, Gibson Emerson, Jr., 1456A.
Sims, Richard Elam, 1457A.
Coleman, John Boddie, 1464A.
Bastin, Henley Vedder, Jr., 1473A.
Hudson, Guy Leonard, Jr., 1475A.
Stone, James Joseph, Jr., 1482A.
Jones, Harold Lewis, 1483A.
West, Herbert Madlson, Jr., 1484A.
Shoemaker, Francis Dodge, 1485A.
Councill, William Haldane, 1489A.
Remington, Peter Havens, 1491A.
Malcolm, Marion, 1497A.
Volin, Herbert Reed, 1512A.
Ecklund, Harold S., 1526A.
Hunker, Joseph Frederick, 1532A.
Wilhelm, Don Louis, Jr., 1538A.
Bond, Graeme Stewart, 1542A.
Schwanbeck, Raymond Victor, 1544A.
Wackwitz, Ernest Frederick, Jr., 1549A.
Carlson, Arthur Charles, Jr., 1558A.
Harris, Clyde Charles, Jr., 1578A.
Woltz, Eugene Carl, 1594A.

Martin, Leslie Ethridge, 1600A.
Moore, Howard Wendell, 1618A.
Ruegg, Robert George, 1620A.
Thorne, Ola Paul, 1622A.
Birchard, Glen Robbins, 1623A.
Johnson, Kenneth Leonard, 1624A.
Delahay, William Arnold, 1628A.
Pugh, Robert Johnson, 1629A.
Goldsworthy, Harry Edgar, 1631A.
McCollom, Loren George, 1632A.
Whitaker, Narce, 1633A.
McTague, Hugh O'Neill, 1635A.
Rader, William Staats, 1636A.
Rogers, Delmer Joseph, 1637A.
Samuel, John Spoor, 1638A.
Crawford, Roscoe Campbell, 1639A.
Jumper, George Yount, 1640A.
Newcomer, Henry Crandall, 1641A.
Perry, Joseph George, 1642A.
Curtin, Robert Harriman, 1643A.
McGowan, Norman James, 1644A.
Bowman, Josephus Alan, 1645A.
Miller, Robert Benjamin, 1646A.
Carpenter, John Wilson, 3d, 1647A.
O'Hern, Wayne Laverne, 1648A.
Howard, George Edmund, Jr., 1649A.
Breckenridge, Adam Kirk, 1650A.
Boughton, Roland Wallace, Jr., 1651A.
McDavid, John Arthur, 1652A.
Holloway, Rufus Hardy, 1653A.
Herzberg, Allen Forrest, 1654A.
Sullivan, Henry Riggs, Jr., 1655A.
Dickman, Joseph Lawrence, 1656A.
Long, Paul Joseph, 1657A.
Phelan, Roger Edwards, 1659A.
Wray, Robert Merwyn, 1660A.
Kinney, Andrew John, 1661A.
Romig, Eugene Allen, 1662A.
Rigley, Orin Henry, Jr., 1663A.
Meals, Elbert Owen, 1664A.
Latoszewski, Edwin John, 1665A.
Curtin, Richard Daniel, 1666A.
Iseman, Frank Wallace, Jr., 1667A.
Knapp, James Barclay, 1668A.
McFarland, Cecil Cerel, 1669A.
Glawe, Benold Earl, 1670 A.
Sears, Robert Carver, 1671A.
Greer, Robert Evans, 1672A.
FitzGerald, Shepler Ward, Jr., 1673A.
Little, Robert Roy, 1674A.
Evans, Albert Leslie, Jr., 1675A.
Whitehouse, Thomas Bernard, 1677A.
Tatum, Daniel Farrington, 1678A.
Zethren, George Wallace Roger, 1679A.
Hardwick, Strother Banks, Jr., 1680A.
Richardson, Robert Charliwood 3d, 1681A.
Bestic, John Brereton, 1682A.
Brombach, Charles Urban, 1683A.
Vandevanter, Elliott, Jr., 1684A.
Bailey, Wilbur Winston, 1685A.
Higginson, George Mercer, 1686A.
Merrell, Jack Gordon, 1687A.
Boyd, William Steln, 1688A.
Smith, William Thomas, 1689A.
Walton, Alfred Virgil, 1690A.
McDowell, William Lee, Jr., 1691A.
Will, Ray Joseph, 1692A.
Rogers, Robert John, 1693A.
Holislington, Perry Milo 2d, 1694A.
Manzo, Salvatore Edward, 1695A.
Palmer, Leonard Neil, 1696A.
Martin, William Kemp, 1697A.
Gideon, Robert Royce, Jr., 1698A.
Reardon, James Vincent, 1701A.
Kingsley, Joseph Theodore, Jr., 1702A.
Habecker, John Christian, 1703A.
Edwards, John Carlos, 1704A.
McCoy, John Louis, 1705A.
Schmid, Edwin Peter, 1708A.
Stocking, Lewis Wilson, 1709A.
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Ritland, Osmond Jay, 1731A.
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Crain, George Kenneth, 1737A.
Stetson, Loring Franklin, Jr., 1738A.
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Creer, William Edward, 1742A.
Zemke, Hubert, 1743A.
Knight, Richard Thomas, 1744A.
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Davis, William Edgar, Jr., 1774A.
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Barrett, Thomas Jay, 1776A.
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DeShazo, Robert Vernon, 1778A.
Setchell, James Frederick, 1783A.
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Storm, Leonard Boston, 1795A.
Manson, Hugh Boyd, Jr., 1800A.
Emrick, Paul Stanley, 1801A.
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Kelly, Joseph Anthony, 1831A.
Wilson, Monty Duran, 1834A.
DeBolt, Arthur Ray, 1835A.
Moore, Joseph Harold, 1836A.
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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 3, 1953
For actions of July 2, 1953
83rd-1st, No. 122

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HIGHLIGHTS: Senate passed trade agreement bill. Senate committee voted to report International Wheat Agreement. House committee reported FCA reorganization bill. House sent foreign aid bill to conference.

SENATE

1. TRADE AGREEMENTS. Passed with amendments H. R. 5495, to extend for 1 year the President's authority to enter into reciprocal trade agreements (pp. 8104-61). Senate conferees were appointed (p. 8161).

Agreed to the following amendments:

- By the committee, to strike out the provision increasing the number of members of the Tariff Commission (p. 8106).
- By Sen. Millikin, providing that GATT shall not be affected by enactment of the bill (p. 8106).
- By Sen. Millikin, providing that, in cases of a divided vote, the Tariff Commission shall transmit to the President the findings and recommendations of both groups (p. 8107).
- By Sen. Cordon, providing as follows: "In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President." (pp. 8141-6.)

Rejected the following amendments:

- By Sen. Malone, to establish a Foreign Trade Authority to be responsible to Congress, etc. (pp. 8147-9).
- By Sen. Magnuson, to strengthen the provisions of Sec. 22 of the AAA Act regarding import controls on agricultural commodities (pp. 8110-46).
- By Sen. Douglas, adding a new title on customs simplification (pp. 8150-7).

By Sen. Kefauver, to extend the trade-agreements authority for 3 years (pp. 8157-60).

2. WHEAT AGREEMENT. The Foreign Relations Committee voted to report the International Wheat Agreement, Executive H (p. D652).
 3. APPROPRIATIONS. H. R. 5246, the Labor-HEW appropriation bill, was made the unfinished business (p. 8166).
 4. FARM PRICES. Sen. Young deplored the farm-price decline and inserted a U. S. News and World Report article stating that farmers are willing to have crop control in order to get fixed prices (pp. 8100-1). He also inserted a newspaper editorial saying farmers favor continuation of high supports on wheat (pp. 8101-2).
 5. MONOPOLIES. Sen. McCarran discussed the possible need for amendments to the anti-trust laws but said Congress should make the determination (pp. 8102-4).
 6. PERSONNEL. Sen. Kilgore paid tribute to the late Frank Yates, Assistant Comptroller General (p. 8102).
 7. ADJOURNED until Mon., July 6 (p. 8166).
 8. FARM LOANS. In reporting S. 1152 (see Digest 120), the committee agreed to an amendment, which was suggested by the Department, to limit the authority for fur-farmer loans to the making of necessary supplementary advances to those already indebted.
In reporting S. 1276 the same day, the committee amended it to make 5% the maximum interest rate on farm-tenant loans instead of a fixed rate. The present rate is 4%.
 9. ANIMAL DISEASES. As reported (see Digest 120), S. 2055 authorizes the Department to control and eradicate scrapie and blue tongue in sheep, and also incipient or potentially serious minor outbreaks of diseases of animals, without the necessity of declaring an emergency which must be based on a threat to the livestock industry.
 10. LEGISLATIVE PROCEDURE. S. Doc. 55 is a revision of an earlier document, "Enactment of a Law -- Procedure on a Senate Bill." A small supply of this publication is available from the Legislative Reporting Staff.
- HOUSE
11. FCA REORGANIZATION. The Agriculture Committee reported with amendment H. R. 4353, the FCA reorganization bill (H. Rept. 701)(p. 8218).
 12. FOREIGN AID. House conferees were appointed on H. R. 5710, to extend the Mutual Security Act(p. 8214). Senate conferees were appointed July 1.
 13. GRAIN STORAGE; PRICE SUPPORTS. Rep. Curtis, Nebr., claimed farmers are getting considerably less than the support price on wheat because of lack of storage space, and spoke in favor of the Martin-Curtis bills to provide additional storage facilities by granting more rapid tax amortization on such facilities (pp. 8216-7).
 14. DROUGHT RELIEF. Received a Grass Roots Cattlemen (Vega, Tex.) petition for drought relief (p. 8219).

83D CONGRESS
1ST SESSION

H. R. 5495

IN THE SENATE OF THE UNITED STATES

JULY 2 (legislative day, JUNE 27), 1953

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Ex-
4 tension Act of 1953".

5 **TITLE I—FOREIGN-TRADE AGREEMENTS**

6 **SEC. 101. EXTENSION OF AUTHORITY.**

7 The period during which the President is authorized to
8 enter into foreign-trade agreements under section 350 of the
9 Tariff Act of 1930, as amended and extended (19 U. S. C.,
10 sec. 1351), is hereby extended for a further period of one
11 year from June 12, 1953.

1 SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COM-
2 MISSION.

3 The first paragraph of subsection (a) of section 7 of
4 the Trade Agreements Extension Act of 1951 (19 U. S. C.,
5 sec. 1364) is hereby amended by striking out "one year"
6 and inserting in lieu thereof "nine months". In the case of
7 any application made under such first paragraph before the
8 date of the enactment of this Act, the United States Tariff
9 Commission shall make its report not later than whichever
10 of the following is the earlier: (1) one year after the ap-
11 plication was made, or (2) nine months after the date of
12 the enactment of this Act.

13 (1) SEC. 103. GENERAL AGREEMENT ON TARIFFS AND TRADE
14 NOT AFFECTED.

15 *The enactment of this Act shall not be construed to deter-*
16 *mine or indicate the approval or disapproval by the Congress*
17 *of the Executive Agreement known as the General Agreement*
18 *on Tariffs and Trade.*

19 (2) SEC. 104. Section 8 of the Trade Agreements Extension
20 Act of 1951 (Public Law 50, Eighty-second Congress, first
21 session) is hereby amended by adding a new subsection (c)
22 at the end thereof, readings as follows:

23 "(c) Subsection (b) of section 22 of the Agriculture
24 Adjustment Act, as amended, is amended by adding at the
25 end thereof the following:

1 “*In any case where the Secretary of Agriculture deter-*
 2 *mines and reports to the President with regard to any article*
 3 *or articles that a condition exists requiring emergency treat-*
 4 *ment, the President may take immediate action under this*
 5 *section without awaiting the recommendations of the Tariff*
 6 *Commission, such action to continue in effect pending the*
 7 *report and recommendations of the Tariff Commission and*
 8 *action thereon by the President.’ ”*

9 **TITLE II—UNITED STATES TARIFF**

10 **COMMISSION**

11 **(3) SEC. 201. MEMBERSHIP AND TERMS OF OFFICE.**

12 ~~(a) IN GENERAL.~~—Subsections ~~(a)~~ and ~~(b)~~ of sec-
 13 tion 330 of the Tariff Act of 1930, as amended ~~(19 U. S. C.,~~
 14 ~~sec. 1330)~~, are hereby amended to read as follows:

15 ~~“(a) MEMBERSHIP.~~—The United States Tariff Com-
 16 mission ~~(referred to in this title as the ‘Commission’)~~ shall
 17 be composed of seven Commissioners appointed by the Presi-
 18 dent by and with the advice and consent of the Senate. No
 19 person shall be eligible for appointment as a Commissioner
 20 unless he is a citizen of the United States, and, in the judg-
 21 ment of the President, is possessed of qualifications requisite
 22 for developing expert knowledge of tariff problems and
 23 efficiency in administering the laws administered by the
 24 Commission. Not more than four of the Commissioners
 25 shall be members of the same political party.

1 “(b) TERMS OF OFFICE.—The term of office of a Com-
2 missioner shall expire seven years from the expiration of
3 the term for which his predecessor was appointed; except
4 that any Commissioner appointed to fill a vacancy occurring
5 prior to the expiration of the term for which his predecessor
6 was appointed shall be appointed for the remainder of such
7 term.”

8 (b) EFFECTIVE DATE.—Notwithstanding section 330
9 of the Tariff Act of 1930, as amended by subsection (a)—

10 (1) the term of office of any Commissioner in office
11 on the date of the enactment of this Act, and the term
12 of office of any Commissioner appointed to fill a vacancy
13 in a term of office which commenced before such date
14 of enactment, shall expire at the time provided therefor
15 by such section 330 as in effect on the day prior to such
16 date of enactment;

17 (2) the term of office of the Commissioner ap-
18 pointed to succeed the Commissioner whose term of
19 office expires June 16, 1953, shall expire at the close
20 of June 16, 1959; and

21 (3) the first term of office of the additional Com-
22 missioner provided for by the amendment made by
23 subsection (a) shall expire at the close of June 16, 1960.

1 SEC. 201. EFFECT OF DIVIDED VOTE IN CERTAIN CASES.

2 Section 330 of the Tariff Act of 1930, as amended, is
3 hereby amended by adding a new subsection (d) reading as
4 follows:

5 “(d) EFFECT OF DIVIDED VOTE IN CERTAIN CASES.—

6 Whenever, in any case calling for findings of the Commission
7 in connection with any authority conferred upon the Presi-
8 dent by law to make changes in import restrictions, a majority
9 of the commissioners voting are unable to agree upon findings
10 or recommendations, the findings (and recommendations, if
11 any) unanimously agreed upon by one-half of the number
12 of commissioners voting may be considered by the President
13 as the findings and recommendations of the Commission:
14 Provided, That if the commissioners voting are divided into
15 two equal groups each of which is unanimously agreed upon
16 findings (and recommendations, if any), the findings (and
17 recommendations, if any) of either group may be considered
18 by the President as the findings (and recommendations, if
19 any) of the Commission. In any case of a divided vote
20 referred to in this subsection the Commission shall transmit
21 to the President the findings (and recommendations, if any)
22 of each group within the Commission with respect to the
23 matter in question.”

1 **TITLE III—ESTABLISHMENT OF COMMIS-**
2 **SION ON FOREIGN ECONOMIC POLICY**

3 **SEC. 301. ESTABLISHMENT OF THE COMMISSION.**

4 There is hereby established a bipartisan commission to
5 be known as the Commission on Foreign Economic Policy
6 (in this title referred to as the "Commission").

7 **SEC. 302. MEMBERSHIP OF THE COMMISSION.**

8 (a) **NUMBER AND APPOINTMENT.**—The Commission
9 shall be composed of seventeen members as follows:

10 (1) Seven appointed by the President of the United
11 States;

12 (2) Five appointed from the Senate by the Vice
13 President of the United States; and

14 (3) Five appointed from the House of Repre-
15 sentatives by the Speaker of the House of Representa-
16 tives.

17 (b) **POLITICAL AFFILIATION.**—Of the first class of
18 members specified in subsection (a), no more than four
19 members shall be from the same political party. Of the
20 second and third classes of members specified in subsection
21 (a), no more than three members from each class shall
22 be from the same political party.

1 SEC. 303. ORGANIZATION OF THE COMMISSION.

2 The President shall designate the member of the Com-
3 mission who shall be the Chairman, and the member who
4 shall be the Vice Chairman.

5 SEC. 304. QUORUM.

6 ~~(4)~~ Four members of the class specified in paragraph ~~(1)~~
7 of section 302 ~~(a)~~; three members of the class specified
8 in paragraph ~~(2)~~ thereof, and three members of the class
9 specified in paragraph ~~(3)~~ thereof shall constitute a quorum;
10 but a lesser number may conduct hearings.

11 *Nine members of the Commission shall constitute a*
12 *quorum.*

13 SEC. 305. COMPENSATION OF MEMBERS OF THE COMMIS-
14 SION.

15 (a) MEMBERS OF CONGRESS.—Members of Congress
16 who are members of the Commission shall serve without
17 compensation in addition to that received for their services
18 as Members of Congress; but they shall be reimbursed for
19 travel, subsistence, and other necessary expenses incurred
20 by them in the performance of the duties vested in the
21 Commission.

22 (b) MEMBERS FROM THE EXECUTIVE BRANCH.—The

1 members of the Commission who are in the executive branch
2 of the Government shall each receive the compensation
3 which he would receive if he were not a member of the Com-
4 mission, but they shall be reimbursed for travel, subsistence,
5 and other necessary expenses incurred by them in the per-
6 formance of the duties vested in the Commission.

7 (c) MEMBERS FROM PRIVATE LIFE.—The members
8 from private life shall receive not to exceed \$75 per diem
9 when engaged in the performance of duties vested in the
10 Commission, plus reimbursement for travel, subsistence, and
11 other necessary expenses incurred by them in the perform-
12 ance of such duties.

13 **SEC. 306. STAFF OF THE COMMISSION.**

14 (a) APPOINTMENT OF PERSONNEL.—The Commission
15 may appoint such personnel as it deems advisable, without
16 regard to the civil-service laws, and shall fix the compensa-
17 tion of such personnel in accordance with the Classification
18 Act of 1949, as amended. The Commission may procure
19 temporary and intermittent services in accordance with sec-
20 tion 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a),
21 but at rates not to exceed \$75 per diem for individuals. The
22 Commission may reimburse employees, experts, and consult-
23 ants for travel, subsistence, and other necessary expenses
24 incurred by them in the performance of their official duties

1 and make reasonable advances to such persons for such
2 purposes.

3 (b) CERTAIN LAWS NOT TO APPLY.—Except for mem-
4 bers of the Commission appointed by the Vice President or
5 the Speaker of the House, and except for any member of
6 the Commission who may be appointed by the President
7 from the executive branch of the Government, service of an
8 individual as a member of the Commission, employment of
9 an individual pursuant to the first sentence of subsection
10 (a), and service by a person pursuant to the second sentence
11 of subsection (a), shall not be considered as service or em-
12 ployment bringing such person within the provisions of
13 section 281, 283, ~~(5)284, or 1914~~ or 284 of title 18 of the
14 United States Code, or section 412 of the Mutual Defense As-
15 sistance Act of 1949, as amended (22 U. S. C., sec. 1584),
16 or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

17 **SEC. 307. EXPENSES OF THE COMMISSION.**

18 There is hereby authorized to be appropriated, out of
19 any money in the Treasury not otherwise appropriated, so
20 much as may be necessary to carry out the provisions of
21 this title.

22 **SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.**

23 (a) REPORT.—Within sixty days after the second
24 regular session of the Eighty-third Congress is convened, the

1 Commission shall make a report of its findings and recom-
2 mendations to the President and to the Congress.

3 (b) EXPIRATION OF THE COMMISSION.—Ninety days
4 after the submission to the Congress of the report provided
5 for in subsection (a) of this section, the Commission shall
6 cease to exist.

7 SEC. 309. DUTIES OF THE COMMISSION.

8 ~~(6)(a)~~ IN GENERAL.—The Commission is directed, within
9 the framework of our foreign policy and national security
10 objectives, to examine, study, and report on the subject
11 of the foreign economic policy of the United States and to
12 recommend policies, measures, and practices that will encour-
13 age further investment overseas and currency convertibility,
14 and foster the highest possible levels of trade consistent with
15 the national security and a strong domestic economy.

16 (a) IN GENERAL.—*The Commission is directed to ex-*
17 *amine, study, and report on the subject of international trade*
18 *and to recommend policies, measures, and practices for stimu-*
19 *lating its sound enlargement.*

20 (b) CERTAIN OF THE MATTERS TO BE CONSIDERED
21 AND REPORTED ON.—Without limiting the general scope of
22 the direction to the Commission contained in subsection (a),
23 the Commission shall consider, and shall report on, the
24 following matters:

1 (1) (A) Applicable provisions of the Constitution
2 of the United States;

3 (B) Laws, regulations, and practices of the United
4 States relating to international trade, including such
5 matters as tariffs, customs, customs administration, trade
6 agreements, peril point and escape procedures, opinions
7 and decisions thereon of the United States Tariff Com-
8 mission and the President, import and export quotas,
9 monetary licenses, countervailing duties, and procure-
10 ment preferences;

11 (C) Departments, agencies, boards, commissions,
12 bureaus, and other instrumentalities of the United
13 States having jurisdiction over, or dealing with, these
14 matters;

15 (D) Laws, regulations, and practices and official in-
16 strumentalities of other nations concerned with similar
17 subject matters;

18 (E) Pertinent statistics on international trade; and

19 (F) Balance of payments, nation by nation; and
20 the causes and effects of, and proposed remedies for,
21 excessive imbalances.

22 (2) Relationship of our foreign economic policies
23 to, and their influences on, our total foreign policy;
24 and the proper relationship of each to the other.

1 (3) Effect of our foreign aid and military defense
2 programs on international trade and international bal-
3 ance of payments.

4 (4) Foreign markets of trading nations—extent and
5 nature; and the effect thereon of wars, other emer-
6 gencies, technological advances, international relations,
7 and other pertinent factors.

8 (5) International instrumentalities, organizations,
9 and agreements and practices affecting trade, such as the
10 General Agreement on Tariffs and Trade, Customs
11 Unions, Organization for European Economic Coopera-
12 tion, International Wheat Agreement, cartels, European
13 Payments Union, European Coal and Steel Community,
14 and International Monetary Fund.

15 (6) Foreign investment capital and the flow of in-
16 vestment capital between nations—need thereof—restric-
17 tions thereon—inducements necessary to encourage—
18 role of the Export-Import Bank and of the International
19 Bank for Reconstruction and Development.

20 (7) Effects on international trade of factors such as
21 costs of production and pricing, labor practices and stand-
22 ards, general living standards, currency manipulation, in-
23 convertible currencies, official inflationary policies, cur-
24 rency devaluations, exchange controls and licenses,

1 quotas, embargoes, dumping and pricing practices, mul-
2 tiple currencies, bilateral trade agreements, barter ar-
3 rangements, customs procedures, marking and transit
4 problems, concealed regulation of exports and imports,
5 preferential tariff systems, most-favored nation treat-
6 ment, government monopolies, state-controlled econo-
7 mies, state trading, and state-subsidized trading.

8 (8) Effect of existing and proposed trade policies
9 on the promotion of peace and security and the better-
10 ment of political, social, and economic life, domestic and
11 foreign.

12 **SEC. 310. POWERS OF THE COMMISSION.**

13 (a) **HEARINGS AND SESSIONS.**—The Commission or,
14 on the authorization of the Commission, any subcommittee or
15 member thereof, shall have power to hold hearings and to
16 sit and act at such times and places, within the United
17 States or elsewhere, to take such testimony, and to make such
18 lawful expenditures, as the Commission or such subcom-
19 mittee or member may deem advisable.

20 (b) **OBTAINING OFFICIAL DATA.**—The Commission is
21 authorized to request from any department, agency, or inde-
22 pendent instrumentality of the Government any informa-
23 tion it deems necessary to carry out its functions under this
24 title; and each such department, agency, and instrumentality

1 is authorized to furnish such information to the Commission,
 2 upon request made by the Chairman or by the Vice Chair-
 3 man when acting as Chairman.

Passed the House of Representatives June 15, 1953.

Attest: LYLE O. SNADER,
Clerk.

Passed the Senate with amendments July 2 (legis-
 lative day, June 27), 1953.

Attest: J. MARK TRICE,
Secretary.

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 2 (legislative day, JUNE 27), 1953

Ordered to be printed with the amendments of the
Senate numbered

last week about the proposal of the present administration for a restudy of the antitrust laws.

I intend to speak briefly on this subject, and I ask unanimous consent that I may do so.

The PRESIDENT pro tempore. Without objection, the Senator from Nevada may proceed.

Mr. McCARRAN. Mr. President, I now ask unanimous consent that the two newspaper stories to which I have referred may be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

**BROWNELL REPORTS PLANS MADE FOR
ANTITRUST LAWS RESTUDY**

(By Edward F. Ryan)

A complete restudy of the antitrust laws has been ordered by the Eisenhower administration, but there is to be no letup in enforcement or wholesale dismissal of pending cases.

This was spelled out yesterday by Attorney General Herbert Brownell, Jr., in terms underscoring administration adherence to a middle-of-the-road policy in the antitrust field.

Brownell told the appellate judges of the fourth circuit in their conference at White Sulphur Springs, W. Va., that he has been given President Eisenhower's go-ahead to set up a committee for an all-out review of antitrust laws and administration.

PRESIDENT'S MESSAGE

He gave the judicial conference this message:

"I believe that the Attorney General's national committee to study the antitrust laws will provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition. It is requested that all departments and agencies of the Federal Government give full cooperation to insure its success."

Brownell said he expects to announce the committee organization in August at the Boston meeting of the American Bar Association. He indicated the committee will be made up of lawyers and economists "who will be guided by the broadest viewpoint of what is best for the American economy."

Cooperating with the large advisory committee, he said, will be a smaller working committee whose assignment will be to draft, possibly for congressional approval, an "agreeable statement of national antitrust policy that will confirm the principles of private competitive enterprise, and * * * combine certainty with flexibility."

FAIR, FIRM ENFORCEMENT

As for the present antitrust picture, Brownell declared that the administration from the President down believes in fair and firm enforcement.

He said the administration is determined that there will be "no slackening of effort to protect free enterprise against monopoly and unfair competition—no winking at violations of the law and no wholesale dismissals of pending suits."

His own view of antitrust regulation, said Brownell, is that it should be "in keeping with a middle-of-the-road political philosophy and aimed primarily at the elimination of predatory practices."

**BROWNELL WILL NAME GROUP TO CLARIFY
ANTITRUST LAWS**

WHITE SULPHUR SPRINGS, W. VA., June 26.—Attorney General Brownell Friday proclaimed

a middle-of-the-road policy in the antitrust field, but he said there will be "no winking" at violations of the monopoly laws.

Brownell pledged no wholesale dismissals of the big batch of antitrust actions which he inherited for prosecution from the Democratic administration.

At the same time, he announced he proposes to set up the Attorney General's National Committee To Study the Antitrust Laws.

WILL SEEK CLARIFICATION

Composed of lawyers, economists, and jurists, the group will survey every angle of the present statutes dealing with business regulations, Brownell said. Its stated mission is to clarify application of the laws and to arrive at "an agreeable statement of national antitrust policy that will confirm the principles of private competitive enterprise, and insofar as possible, combine certainty with flexibility."

Brownell's statements, his first comprehensive discussion of antitrust policies since taking office last January, were in an address prepared for the annual conference of the Fourth Judicial circuit.

The Attorney General brought to the conference a message from President Eisenhower which said:

"I believe that the Attorney General's National Committee To Study the Antitrust Laws will provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition. It is requested that all departments and agencies of the Federal Government give full cooperation to insure success."

DELAYS APPOINTMENTS

Brownell did not immediately disclose who will serve on the study group. He said he plans to have preliminary organization ready for announcement when the antitrust section of the American Bar Association meets in Boston in August.

The committee, he said, will function in two sections, one devoting its time to a study of the basic antitrust laws and the other surveying the best procedure that can be taken under them. He said:

"Once we accept the desire of the public to confirm private competitive enterprise under the theory of limitations placed on freedom of commercial action, which is what we call American capitalism, the problem is the extent to which such enactments should control business."

"I am one of those who is proud of that American capitalism, despite the seeming conspiracy existing to avoid use of such words. But I am old-fashioned enough to believe just as thoroughly that this control should be in keeping with a middle-of-the-road political philosophy, and aimed primarily at the elimination of predatory practices."

FELL HEIR TO 136 CASES

Brownell fell heir to the biggest collection of antitrust prosecutions ever handled on from one administration to another—136 in all. The three previous Democratic Attorney Generals had set a record for initiating such action.

The pending cases include, among others, monopoly prosecution against the Nation's five largest oil companies; the du Pont family and their controlling stock interests in General Motors and United States Rubber Co.; General Electric Co., A. & P. grocery chain, American Telephone & Telegraph Co., and its subsidiary, Western Electric; major motion picture film producers, the National Football League, and some of the biggest soap manufacturers.

Brownell himself has initiated about a dozen lesser cases since taking office.

Mr. McCARRAN. Mr. President, another document also pertinent to this subject, is Senate Resolution 14, submitted by me on January 7, 1953, and reported favorably by the Committee on the Judiciary on February 10, 1953. I ask unanimous consent that the resolution may be printed in the RECORD at this point, together with the full text of the Judiciary Committee report thereon.

There being no objection, the resolution (S. Res. 14) and the report (No. 37) of the Committee on the Judiciary were ordered to be printed in the RECORD, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a complete and comprehensive study and investigation of the antitrust laws of the United States and their administration, interpretation, operation, enforcement, and effect and to determine the nature and extent of any legislation which may be necessary or desirable to—

(a) clarify existing statutory enactments, and eliminate any conflicts which may exist among the several statutes comprising such laws;

(b) rectify any misapplications and misinterpretations of such laws which may have developed in the administration thereof;

(c) supplement such statutes to provide any additional substantive, procedural or organizational legislations which may be needed for the attainment of the fundamental objects of such statutes; and

(d) improve the administration and enforcement of such statutes.

SEC. 2. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to hold such hearings, to require by subpoenas or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and, within the amount appropriated therefor, to make such expenditures as it deems advisable. The cost of stenographic services to report hearings of the committee or subcommittee shall not be in excess of 40 cents per hundred words. Subpoenas shall be issued by the chairman of the committee or the subcommittee, and may be served by any person designated by such chairman.

A majority of the members of the committee, or duly authorized subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number to be fixed by the committee, or by such subcommittee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. The committee, or duly authorized subcommittee, shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duties, and is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

SEC. 4. The expenses of the committee, which shall not exceed \$75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee on or before March 31, 1954.

The Committee on the Judiciary, to which was referred the resolution (S. Res. 14), au-

thorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect, having considered the same, reports favorably thereon, with amendments, and recommends that the resolution, as amended, do pass.

STATEMENT

The Committee on the Judiciary under the Legislative Reorganization Act has jurisdiction over the subject matter of the "protection of trade and commerce against unlawful restraints and monopolies."

This resolution, as amended, proposes that a complete and comprehensive investigation be made of the Federal antitrust laws. It should be noted that the basic law, the Sherman Act, is now 63 years old, the Clayton Act is almost 40 years old, and the Robinson-Patman Act is 17 years old. During this 60-year period, no attempt has yet been made by the Congress to survey the entire field of antitrust laws with a view toward a comprehensive revision and coordination of these basic laws. During past years controversy has arisen as to whether these basic policies may have become outdated. Because of the many differences of opinion about the objectives of these antitrust statutes, suggestions have been made in many sources that now is the time for a study of our antitrust policy.

Criticism has been raised regarding the procedures and remedies of the antitrust laws. The overlapping of jurisdiction of Federal antitrust agencies, highlighted especially by the overlap in jurisdiction of the Department of Justice and Federal Trade Commission, has generated demands for congressional action to centralize antitrust administration and enforcement in one source of authority, or at least to coordinate through a central agency the concurrent jurisdiction of the several Federal agencies. Questions have been raised as to whether the legislative policies embodied in these laws are intrinsically sound in approach, and whether the separate provisions of these statutes and their relationship to one another are sufficiently consistent and coordinated to effectuate a unified Federal policy of maintaining competition.

Because of the tremendous technological progress in the past 60 years in American industry, it is necessary that a thorough review be made of the entire antitrust field in order to achieve such realignment of the antitrust laws as may be shown necessary by such review.

If the committee is to discharge its responsibility as imposed by the Legislative Reorganization Act, it is the view of the committee that the resolution, as amended, be approved by the Senate, in order to provide the necessary funds for the proposed study and investigation of the antitrust laws, as outlined in Senate Resolution 14.

Mr. McCARRAN. Now, Mr. President, let me point out that the resolution which has just been ordered printed in the RECORD provides for a complete investigation and restudy of the antitrust laws. As indicated earlier, I submitted the resolution on January 7 of this year. I submitted a similar resolution, Senate Resolution 86, of the 82d Congress, on February 26, 1951.

As I have said, my resolution was reported favorably to the Senate from the Judiciary Committee on February 10, 1953, and was thereupon referred to the Committee on Rules, where it has been pigeonholed ever since.

It must be admitted, Mr. President, that there are some grounds for believing that the proposal announced by the Attorney General at White Sulphur Springs, W. Va., to appoint a committee

for a review of the antitrust laws and the administration of those laws, is another instance of an attitude which we have seen evidenced before with respect to other matters, the attitude of "if this is going to be done, the executive branch of the Government ought to do it, not the Congress."

I submit, Mr. President, that if there is to be any revision of the antitrust laws—and I am one of those who have long felt revision is needed—that revision must be made by the Congress. There is no other way in which the laws can be revised. Therefore, eventually Congress must study this matter, unless the Congress is to accept some ready-made verdict arrived at by a committee working under the executive branch of the Government. Previous Congresses have been known to accept such verdicts, but I do not believe this Congress will do so, or that any Congress in the foreseeable future will do so.

I do not want to leave the impression that I oppose the idea of a restudy of the antitrust laws and their enforcement, by a committee appointed by the Attorney General. I prefer to reserve judgment on that point until we have seen the caliber of the members named to that committee by the Attorney General, and until we know something more of the scope and latitude which will be allowed the Attorney General's committee, and the degree of freedom from control which that committee will enjoy.

I am somewhat concerned, I may say frankly, by the Attorney General's statement that it is his intention to compose his so-called National Committee To Study the Antitrust Laws of Lawyers and Economists. Without any intention to detract in any way from the importance of economics as a study, or to demean in the slightest the practice of economics as a profession, yet I feel that the job of restudying the antitrust laws with a view to proper revision is a job for the best lawyers who can be induced to undertake that task. Many of the troubles which have arisen in connection with enforcement and administration of the antitrust laws in the past have come about because of efforts to use those laws or some of them to prove or disprove or establish or support one or another economic theory, or to achieve or prevent certain economic results.

I do not mean to imply, of course, that the economic effects of the antitrust laws are not deserving of attention; and if the Attorney General's National Committee on the Antitrust Laws is so constituted and so mandated that the job of preparing proposed revisions to the antitrust laws is reserved for able lawyers, I shall have no complaint.

I do feel that since the Congress eventually must pass upon whatever is to be done by way of revising the antitrust laws, the Congress should maintain very close liaison with the Attorney General's national committee. I do not believe the Senate should now take the attitude that, since the Attorney General has announced he is going to do something about this matter, the Senate is either foreclosed from proceeding or should defer its action until the Attorney Gen-

eral's committee has accomplished its purpose and disbanded. On the contrary, I feel that the action taken by the Attorney General, with, as he announced, the approval of the President, is a clear indication of the importance with which this subject is regarded by the executive branch of the present administration; and I earnestly hope that the leaders in the Senate will accord the subject a similar degree of importance and recognition. I even venture to hope, further, that they will manifest their recognition of the importance of this subject matter by retrieving my resolution, Senate Resolution 14, from the Rules Committee, where it has been pigeonholed for many months.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDENT pro tempore. The morning business having been concluded, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDENT pro tempore. The Senator from Colorado is recognized.

Mr. MILLIKIN. Mr. President, House bill 5495, the bill now before the Senate, would extend until June 12, 1954, the authority of the President to enter into trade agreements with foreign countries.

It would establish a bipartisan body to be known as the Commission on Foreign Economic Policy which would be authorized to recommend policies, measures, and practices for stimulating the sound enlargement of international trade. The Commission would be equipped with organization and authority for a thorough study of the subject, including influences affecting the volume, nature, and direction of international trade, its relationship to our foreign policy and national security objectives.

In addition to these features of the bill, there are several proposed administrative improvements in the operation of the Trade Agreements Act. For example, one, sponsored by the House, would reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause. Another, an amendment proposed by the Senate Finance Committee, would bring to the President information in escape-clause actions when there are certain tie or split votes within the Tariff Commission.

Later on, the features of the bill which have been mentioned, and others, will be discussed at greater length.

It is strongly contended that delay on the proposed extension of 1 year causes the nations with which we have entered into agreements to wonder whether we are signalling that their trade relations with us, and indeed the trade relations between all nations which are bound together under the reciprocal trade system, are imperiled; and there

is much speculation as to our ultimate intentions.

It is urged that in this trouble-torn world, it would seem desirable not to add needless strains through meritless inaction on our part.

It is well to remember that we have reciprocal trade agreements with 43 other nations. Those nations account for more than 80 percent of the world's international trade.

Having in mind the undesirable uncertainties created by the lapsed extension, having in mind that there are only a few weeks before we may end the first session of this Congress, and considering the extent and duration of hearings on these subjects so familiar to the Senate Finance Committee, it was concluded that the usual committee procedures should be shortened, and that the bill should be brought before the Senate as rapidly as possible.

The committee decided that it would invite all those who had made requests to appear before the committee to send in written statements of their positions on House bill 5495 as it came to us from the House.

All statements submitted by those who responded to the committee's invitation are included in the record before the Senate.

One or two statements came in after the deadline, and later on I shall request unanimous consent of the Senate to include them in the Appendix of the RECORD.

Summaries of these statements were brought to the attention of the committee and they are included in the record before us.

This record also includes the testimony and cross examination in full of Cabinet members who appeared in favor of extension legislation.

It contains a digest of all testimony before the House Ways and Means Committee on H. R. 4294, a bill which originally contained the proposed extension legislation now before us as well as other matters not included in the present bill.

Let me outline briefly some of the pertinent history of the subject.

In 1934, the Congress delegated to the President of the United States authority to enter into trade agreements with foreign governments and to proclaim such modifications of existing duties and other import restrictions as were required or were appropriate to carry out those agreements. No Presidential proclamation, however, was to be made increasing or decreasing by more than 50 percent the rates existing on June 12, 1934. The President was not granted the privilege of transferring any article between the free and the dutiable lists. Approximately 60 percent of the value of our imports are on the free list.

A few agreements involving changes in some rates of duty were made between 1934 and 1938, but no major duty changes were proposed until the year 1938 when trade agreements with Canada and the United Kingdom were negotiated. These agreements were made effective January 1, 1939.

The President's original authority under the Trade Agreements Act of 1934 had by several extension acts been con-

tinued from its first expiration date in 1937 until 1945.

In 1945 the extension granted to the President authority to increase or decrease rates of duty up to 50 percent of the rates existing on January 1, 1945. This made it possible for the President to decrease duties further even though they might have already been decreased by 50 percent of the 1930 rate.

In passing, it is observed that since 1934 no duty has ever been raised as a result of the negotiation of our trade agreements. Since then the average duty on our imports has been reduced from about 50 percent to about 12½ percent of value.

In the extension of 1948, which was for only 1 year, the so-called peril-point amendment required the Tariff Commission to submit to the President a report on each commodity upon which the President intended to negotiate. This report was to state the maximum action that could be taken by the President without causing serious injury or the threat of it to domestic producers. This report was to be submitted to the President within 120 days of the issuance by him of a list of the articles upon which he intended to negotiate.

The President was not required to follow the recommendations of the Tariff Commission, but, if he did not, the reasons were to be transmitted to Congress.

The 1948 escape clause provided that a domestic producer which felt that it was being injured as a result in whole or in part of the duty or other customs treatment reflected in a trade agreement concession could appeal to the Tariff Commission for an investigation into the matter. If the Tariff Commission found serious injury, or the threat of it, and so reported to the President, he could withdraw the concession or modify it in order to mitigate the injury. The President was not required to follow the Commission's recommendations, but, if the President did not, he was to state his reasons to Congress.

In June 1949 Congress repealed the 1948 act and extended the President's authority to enter into new agreements for 3 years from June 1948. This carried the extension to June 1951.

The 1951 extension was for 2 years, until June 12, 1953. That extension provided for the restoration of the peril-point and escape clause features as well as other amendments designed to improve the overall operation of the Trade Agreements Act. The 1951 Extension Act was approved by a Senate vote of 72 to 2.

Now our President has asked for a 1-year extension.

Section 101 of the bill before us provides for that.

The 1951 act required the Tariff Commission to make reports under the escape clause within 1 year after the filing of the application under which the investigation was instituted. One year is a long time for an applicant to wait when he believes he is being injured.

It is a longer time than is necessary for the Tariff Commission to make its reports. The original House bill, H. R. 4294, cut the time to 6 months, but after further consideration of the matter the

House set it at 9 months, and that is the period provided for in section 102 of the pending bill. The Tariff Commission has not objected to this change, and most everyone seems to be satisfied with it.

Section 201 of the bill as reported contains a provision for getting to the President for his consideration and for his optional action, reports from the Tariff Commission even though that agency does not make a majority finding.

The Tariff Commission is now composed of six members. It is possible, especially in escape clause cases, for certain combinations of votes by the Commissioners to result in no recommendations to the President.

For example, should a case arise where half the voting members conclude there is injury to a domestic producer because of a tariff concession, and the other half should unanimously disagree with that finding, nothing would pass to the President in an escape clause action.

The proposed amendment in the bill before the Senate would eliminate that possibility by requiring the Commission to submit both sets of findings to the President.

The amendment does not add to or subtract from the President's present right to disregard the Commission's report if he chooses to do so. It merely sees to it that split or tie votes do not prevent a report from being sent to the President.

In an assumed case where, for example, 3 members of the Commission were to find injury and were to recommend the withdrawal of a concession, and where 2 of the remaining 3 found no injury, but the 1 other found some injury, but recommended only a slight modification in the concession, the President would be able to decide whether he wanted to act on the findings and recommendations of the 3 unanimous votes as the majority vote.

The House apparently was troubled by the possibility of such tie and split votes in the Tariff Commission which might prevent the President from having the benefit of findings and recommendations to guide the exercise of his discretion in the field of escape-clause proceedings.

Its version of the bill called for the addition of a seventh member of the Commission. The Senate Finance Committee did not agree with that provision, and proposed to amend the bill by deleting it and substituting for it the provision which I have just discussed.

Also, the committee had it in mind that the proposed Commission on Foreign Economic Policy is charged with the duty of studying the Tariff Commission and its operations, and hence will have the opportunity to reach conclusions and recommendations on the membership of that body.

The President has asked for a thorough study of the economic foreign policy of the United States and the relationship of international trade to our overall foreign policy.

The President states in his letter to Congress on April 17 of this year:

The extension for 1 year of the present Reciprocal Trade Agreements Act will provide us the time necessary to study and

define a foreign economic policy which will be comprehensive, constructive, and consistent with the needs both of the American economy and of American foreign policy.

Section 301 of the bill before the Senate would set up the study Commission.

The Commission will make its report before the lapse of the extension of the Trade Agreements Act provided in the bill. Under section 308, the Commission will report within 60 days after the convening of the second session of this Congress.

The report of the Commission should present to Congress the most comprehensive, modern study ever made in preparation for legislation concerning our trade relations with the world.

This should have a clarifying effect on the heated clamor for trade reforms ranging from exclusionary protectionism to all the way across the board free trade.

Section 302 of the bill provides for a Commission of 17 members: 5 from the House of Representatives, appointed by the Speaker of the House, 5 from the Senate appointed by the Vice President, and 7 appointed by the President. The bill provides that not more than 3 members from the House, 3 from the Senate, and 4 appointed by the President shall be members of the same party.

Title III of the bill, which includes the sections to which I have referred, is almost a repetition of Senate Joint Resolution 78 approved by the Senate Finance Committee and passed by the Senate on May 18 without a dissenting vote.

There are some differences in title III between the bill as sent to us by the House and Senate Joint Resolution 78. In all cases of minor changes we have accepted the House version. We accepted their plan to have 17 members on the Commission, rather than 11 members proposed by us in Senate Joint Resolution 78.

I now note two instances in which we have not accepted the House provisions in title III, having to do with the study Commission.

The House bill would have required a majority of each of the three groups of appointees to be present before a quorum could be constituted.

That would mean that a quorum of members who were Senators, plus a quorum of members from the House, plus a quorum of presidential appointees would have to be present before a quorum of the whole Commission could perform. The effect of this might be that as many as 14 of the 17 members could be present and yet no official business could be transacted because, under the House provision, no quorum of the whole Commission would be present.

Section 304 of the Finance Committee's amendment provides that any 9 of the 17 members shall constitute a quorum.

Under section 309, the House bill confined the activities of the Commission within "the framework of our foreign policy and national security objectives."

Our foreign policy and national security objectives in their general aspects are not always fully disclosed and are of changing character. Our trade relations

and foreign economic policies have general worldwide significance, but they also have country-by-country significance, and so do our foreign policy and national security objectives. Here, too, our foreign policy and national security objectives are not always fully disclosed and are of changing character. Therefore, it would not seem to be wise or practicable to confine the entire study within that kind of a framework. In section 309 of the bill as reported, there are specific provisions for the study of the proper relationships of our foreign trade, our foreign economic policies, our total foreign policy and national security objectives, and for recommendations thereon. These should not be prejudged.

I respectfully urge prompt completion of Senate action on the bill.

Mr. President, I ask unanimous consent that H. R. 5495, the Trade Agreements Extension Act of 1953, as proposed to be amended and as reported by the Committee on Finance, may be considered as the original text of the bill for purposes of amendment.

The PRESIDING OFFICER (Mr. POTTER in the chair). Is there objection? The Chair hears none, and it is so ordered. The committee amendments will therefore be considered to have been agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 2, after line 14, to strike out:

"SEC. 201. Membership and terms of office.

"(a) In general: Subsections (a) and (b) of section 330 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1330), are hereby amended to read as follows:

"(a) Membership: The United States Tariff Commission (referred to in this title as the "Commission") shall be composed of seven Commissioners appointed by the President by and with the advice and consent of the Senate. No person shall be eligible for appointment as a Commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the laws administered by the Commission. Not more than four of the Commissioners shall be members of the same political party.

"(b) Terms of office: The term of office of a Commissioner shall expire 7 years from the expiration of the term for which his predecessor was appointed; except that any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

"(b) Effective date: Notwithstanding section 330 of the Tariff Act of 1930, as amended by subsection (a)—

"(1) the term of office of any Commissioner in office on the date of the enactment of this act, and the term of office of any Commissioner appointed to fill a vacancy in a term of office which commenced before such date of enactment, shall expire at the time provided therefor by such section 330 as in effect on the day prior to such date of enactment;

"(2) the term of office of the Commissioner appointed to succeed the Commissioner whose term of office expires June 16, 1953, shall expire at the close of June 16, 1959; and

"(3) the first term of office of the additional Commissioner provided for by the amendment made by subsection (a) shall expire at the close of June 16, 1960."

On page 4, after line 2, to insert:

"SEC. 201. Effect of divided vote in certain cases.

"Section 330 of the Tariff Act of 1930, as amended, is hereby amended by adding a new subsection (d) reading as follows:

"(d) Effect of divided vote in certain cases: Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the Commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of Commissioners voting may be considered by the President as the findings and recommendations of the Commission: *Provided*, That if the Commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission."

On page 6, after line 5, strike out:

"Four members of the class specified in paragraph (1) of section 302 (a), three members of the class specified in paragraph (2) thereof, and three members of the class specified in paragraph (3) thereof shall constitute a quorum; but a lesser number may conduct hearings."

And insert:

"Nine members of the Commission shall constitute a quorum."

On page 9, after line 3, to strike out:

"(a) In general: The Commission is directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility; and foster the highest possible levels of trade consistent with the national security and a strong domestic economy."

And insert:

"(a) In general: The Commission is directed to examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for stimulating its sound enlargement."

Mr. MILLIKIN. Mr. President, I send to the desk, for immediate consideration, an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, after line 12, it is proposed to insert the following new section:

SEC. 103. General agreement on tariffs and trade not affected.

The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the general agreement on tariffs and trade.

Mr. MILLIKIN. Mr. President, this is a routine amendment. It is taken verbatim from the Extension Act of 1951. Prior to that time there was similar language in the reports of the Senate Committee on Finance. I suggest that the language be included in the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

Mr. MILLIKIN. Mr. President, I send to the desk another amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 21, after the period, it is proposed to insert the following:

In any case of a divided vote referred to in this subsection the commission shall transmit to the President the findings (and recommendations, if any) of each group within the commission with respect to the matter in question.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

The PRESIDING OFFICER (Mr. POTTER in the chair). The bill is open to further amendment.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that there be printed in the RECORD a letter dated June 22, 1953, addressed to the chairman of the Senate Finance Committee, by the Cundy-Bettoney Co., Inc., of Boston, Mass., together with the enclosures. Senators will remember that the chairman of the Senate Finance Committee has already stated that he would ask unanimous consent to include in the RECORD any statements made by persons who wished statements in connection with the bill to be made a part of the RECORD. This letter arrived after the deadline. That is the reason for my request.

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

THE CUNDY-BETTONEY CO., INC.,
Boston, Mass., June 19, 1953.

CHAIRMAN OF THE SENATE FINANCE
COMMITTEE,
Washington, D. C.

GENTLEMEN: This is in reference to the reciprocal tariff hearings.

I would like very much to appear before your committee and be questioned regarding the allegations that I have sent to many Congressmen, a copy of which is enclosed. However, I understand that you will accept only written comments. If my allegations are true, the act should be thrown out in its entirety. There should be no defending, no matter how high-sounding the phrases, of an act that has not only been made a political football but that has been used by both Americans and foreigners for their own profit. It all depends on who knows who. There is a lot of chicanery being hidden under high-sounding phrases, but all the chlorophyll in the world will not kill the stench when it eventually will be brought before the public.

It is too bad that changes cannot be made now rather than wait until there is a recession and the pendulum swings to the other extreme.

Very truly yours,

THE CUNDY-BETTONEY CO., INC.,
By ARTHUR E. HASTEDT,
Vice President.

[From the Wall Street Journal of June 15, 1953]

LONDON CABLE—A REPORT ON THE FOREIGN SCENE FROM WALL STREET JOURNAL BUREAUS ABROAD

LONDON, ENGLAND.—Americans may lose some of the appeal they've had for European exporters.

Gaining momentum in European capitals is a move to abolish special rewards for exporters who earn dollars from America.

Prominent among those nations have been Holland and Germany, where exporters received permission to keep a portion of their dollar earnings in greenbacks for resale at a premium in the free market.

The European governments which instituted these dollar-incentive schemes now are losing their affection for them. Their big reason is a threat by Britain, which hasn't yet resorted to such measures, to institute a similar scheme if the continental countries don't start scrapping their systems soon. On the Continent, components manufacturers argue they should receive similar concessions as those granted sellers of finished products, or that the incentive plans should be abolished.

The Organization for European Economic Cooperation is expected to push for abolition of these incentive schemes over the next 6 months. It will advise dollar-hungry governments to use other methods of boosting their greenback earnings.

In reference to H. R. 4294 you may be interested in the following:

Do you know that the original reason for the Reciprocal Tariff Act was to take tariffs out of the hands of Congress, so it would not be subject to politics?

Do you know that there is more politics in tariffs than ever before?

Do you know that when the tariff on watches was reduced a relative of a now ex-Vice President of the United States was on the board of directors of a foreign watch manufacturer?

Do you know that President Truman ordered an increase in the tariff on hats, 3 days before the 1950 election, which was won by the Democratic Senator from Connecticut by 1,500 votes? The industry is in Connecticut.

Do you know that President Truman got a \$100 hat free on his next birthday from a pal in the business?

Do you know that the first tariff negotiations for the United States were carried on by a confessed Communist?

Do you know that tariff reductions have been made on politically weak industries and politically strong industries were not touched?

Do you know that foreign countries have imposed embargoes to offset tariff concessions?

Do you know that the last tariff negotiations were held at Torquay, England, a famous spa noted for the quality of its liquor?

Do you know that tariff reductions were made without regard for facts?

Do you know that the United States tariff laws are now being made by foreign individuals or cartels for their own profit?

Do you know that the escape clause of the reciprocal tariff is meaningless? Practically no industry, except as stated above, has received benefits from it.

Do you know that the woodwind industry was turned down on their application for relief under the escape clause because "it does not appear that the decreased production of woodwind instruments in 1952 was accompanied by a considerable lack of employment for workers that had formerly been employed in the production of woodwind instruments"?

Do you know that foreign governments are subsidizing exports of woodwinds and other goods?

Do you know that when there is no American competition foreign prices are excessive? Remember rubber before synthetics?

Do you know that the \$776 million in gold drawn out of this country by foreign governments (Wall Street Journal, April 22, 1953) in the last 6 months increased their dollar shortage?

Do you know that there will be another slogan by importers when "trade not aid" is worn out?

Do you believe that you are incapable of judgment, but must leave decisions to some junior secretary who is responsible to no one?

Don't you think it's time to put authority for tariff laws back in the legislative branch where it belongs?

Mr. CARLSON. Mr. President, the distinguished chairman of the Senate Finance Committee [Mr. MILLIKIN] has made a very able presentation and report from the committee on the measure pending before the Senate. As was stated, the committee did not hold hearings; and no amendments, aside from amendments which were generally approved, were accepted by the committee.

A number of statements and reports were filed by organizations which felt that they should have relief from the present situation. There are some very difficult problems in several fields of our economy. There is a difficult problem in the mining industry. The same is true of agriculture, especially with respect to wool and other products such as rye, oats, and such crops. It is true of the oil industry. For a moment I should like to invite the attention of the Senate to the situation existing in the oil industry.

It is not my intention to offer as an amendment the bill which I have introduced, because I feel that it is important that the pending legislation be approved in its present form at the earliest possible date. However, I sincerely hope that the House will take such action as is necessary on what is known as the Simpson bill and send it to the Senate in order that we may be able to consider it and offer such amendments and changes to it as we think are necessary to protect our own economy.

In a speech to the Senate on April 14, 1953, I warned that indiscriminate application of the trade-not-aid philosophy, where essential defense materials are involved, could render this Nation defenseless. I want to repeat and emphasize that there is nothing in our history that justifies aiding others by trading away our security.

In considering the extension of the Trade Agreements Act, the Senate should recognize what I believe to be a serious and basic flaw. That is the failure to differentiate, either by law or through administrative procedure, between trade in strategic materials versus trade in general commodities.

I suggest that the security of the United States and the free world is directly involved in the question of importing and exporting defense materials. Certain materials, for military and essential industrial and civilian uses, must be available in the United States in adequate quantities to meet any emergency. We cannot afford to trade away our strength in those materials. They should be given specific and separate consideration in our foreign trade policy and under the trade agreement program.

President Eisenhower fully recognizes this problem. On April 14, the same day that I discussed my bill to limit petroleum imports, the President sent a message to the Congress relating to our rubber supplies. He referred to the Rubber Act of 1948 and pointed out that the

policy of the United States with respect to rubber, as set forth by the Congress in that act, provides:

It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stockpiles of natural rubber which are to be acquired, rotated and retained pursuant to the Strategic and Critical Materials Stockpiling Act, a technologically advanced and rapidly expandable rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of synthetic rubber to meet the essential civilian, military and naval needs of the country.

In his message the President stated that he was in hearty accord with that policy determination of the Congress. The same policy is applicable to oil, coal, steel, and other materials where an adequate supply in the United States is our first line of defense.

If we permit the Trade Agreements Act to continue in its present form and application, we will fail to discharge our full responsibility to national security and common defense. We need to clarify our foreign trade policy with regard to strategic materials. We need to differentiate between healthy foreign trade and trade that weakens our productive strength in basic commodities.

I recognize that it is a difficult task to reconcile the many conflicting interests involved in this question; much study is required and we have taken a constructive step in authorizing a special commission to review our foreign trade policies and procedures. The Commission's study should include a specific and comprehensive investigation of the relationship of foreign trade policies to the maintenance of adequate domestic supplies for those critical materials essential to our safety and defense.

While this study is in progress, it is necessary to have definite assurances that there will be no weakening of our supply position as to these critical materials. An immediate problem, in this respect, is presented by the excessive importations of petroleum which are retarding and restricting the domestic industry.

On behalf of the Senator from Pennsylvania [Mr. MARTIN], the Senator from Wyoming [Mr. HUNT], the Senator from West Virginia [Mr. KILGORE], and myself, I have introduced S. 1552, which is a bill to establish reasonable limitations on the importation of petroleum and petroleum products into the United States.

At the time S. 1552 was introduced, I made a detailed statement to the Senate explaining the provisions of the bill, the necessity for its enactment, and the effect of such proposal.

I do not now desire to restate these facts, but do desire to again call them to the attention of the Senate.

I want to reaffirm the necessity for its passage and approval at the earliest possible time.

The condition I described to the Senate in introducing S. 1552 on April 14 of this year has not improved. In fact, the necessity for such legislation is greater.

Petroleum imports have continued at excessive levels. This has been true despite the fact that since the introduction of S. 1552 the entire domestic petroleum industry has made constant appeals for restraint on the part of the importing companies. While a few companies have made token reductions in their import programs, others have increased. Except for seasonal changes, there has not been a single barrel of reduction in total oil imports.

The governors and officials of many States have appealed for restraint on excessive imports. State legislatures have passed resolution asking relief from petroleum imports.

The Secretary of the Interior, in his appearance before the Ways and Means Committee of the House, said that domestic production had been reduced and that there should be a corresponding cut in imports. Since his appearance before the Ways and Means Committee, the Secretary has appeared before the National Petroleum Council, an advisory body to the Secretary on petroleum problems. That meeting was attended by representatives of all divisions of the petroleum industry, including the companies importing oil. The Secretary referred to his testimony before the Ways and Means Committee when he discussed the need for a downward adjustment in imports. He then stated:

My belief that the industry, acting individually, will effect such adjustments in the level of imports is based upon faith that the individual interests of each importing company will lead to that desirable level of imports necessary to preserve the health of the domestic industry and the security of this Nation more readily than can be achieved by resorting to undesirable and inflexible statutory restraints.

I am hopeful that those companies importing crude oil or products will show industrial statesmanship in this important matter and that each company, acting individually and wholly on its own individual judgment, will exercise that restraint in respect of imports necessary to the health and security of the Nation.

I have discussed this matter with President Eisenhower, and the National Security Council. I can say to you that President Eisenhower concurs in these views.

The Secretary's expressed hope for voluntary action by the importing companies was concurred in by the President. Yet, nothing has happened, although that statement was made several weeks ago. There was no public response from any company. Imports continue at a rate that prevents the proper development of our domestic resources.

We are committed to a trade agreements program. I have hoped that this program would provide sound trade policies.

I am prepared to delegate such detail as is necessary to a sound trade program. I am not prepared to delegate without further supervision the constitutional responsibility of the Congress on matters of vital concern to our Nation's security.

On such matters, if we cannot assure full understanding and consideration through delegation, I believe final responsibility rests with the Congress.

There are some facts in regard to the importation of oil and the maintenance of a sound program of oil production that should be presented to this Senate.

Prior to World War II, 1935-41, total petroleum imports averaged about 5 percent of domestic demand. During the war years, 1942-45, they continued at about 5 percent. In the postwar period imports increased rapidly averaging about 10 percent during 1946-51. In 1952 they averaged about 13 percent. Currently, imports average in the neighborhood of 14 or 15 percent.

Loss of markets to imports is curtailing the incentive and ability of the domestic industry to expand in proportion to the Nation's defense program and normal growing oil needs. Defense and military officials agree that domestic oil productive capacity is insufficient for war emergency requirements. The Petroleum Administration for Defense, the Government agency responsible for defense program oil supplies, established a drilling program of 50,000 wells for 1952 and 55,000 wells for 1953. In 1952 the industry drilled approximately 46,000, dangerously below the goal. So far during the year 1953 the drilling rate has been even less favorable in relation to the goal of 55,000 wells.

At the beginning of World War II, the domestic industry was capable of producing approximately 1 million barrels daily over and above current requirements. This reserve was vital during the war. Today the domestic industry, although capable of supplying peacetime needs, does not have an adequate reserve producing capacity ready for use. If we are to provide that reserve capacity which we had at the beginning of World War II, the domestic industry's drilling program will have to be stimulated considerably.

Oil imports are the primary problem facing the domestic oil producer today.

There has been a continued increase in the average daily importation of oil since 1942, in which year we imported less than 100,000 barrels daily. The present rate of importation is in excess of 1 million barrels per day. As a result of this, crude-oil production in this country has been reduced substantially in recent months and the production is being curtailed through proration in the various oil-producing States.

Unless some provision is made to reduce the oil importation, further curtailment in domestic production will be required. Should this occur it would mean less income to the domestic industry, less drilling, less reserves found, less productive capacity. In short, less security as to oil.

The growing threat of excessive imports requires a sound foreign trade policy as to petroleum that will assure the maintenance of a fair and equitable relationship between imports and the United States petroleum demand.

Mr. President, I wish to again state that it is my hope that representatives of the oil companies that are bringing in large daily importations of foreign oil will follow the suggestion of President Eisenhower and the Secretary of the In-

terior, Mr. McKay in working out a reasonable basis for these imports.

I will admit that I feel our nation has not had the voluntary cooperation of these companies that I believe it should have. Therefore, I believe it is absolutely essential that action be taken by Congress.

If my bill is not adopted as an amendment to H. R. 5495, the pending measure—and I said I will not offer it unless amendments are being adopted—I am going to continue my fight for what I believe to be a fair and reasonable solution of a problem that is important from a national defense standpoint, as well as our domestic economy. Every effort will be made to secure favorable consideration of my bill, S. 1552.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUTLER of Maryland. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Millikin
Anderson	Hendrickson	Monroney
Barrett	Hennings	Morse
Beall	Hickenlooper	Mundt
Bennett	Hill	Murray
Bricker	Hoey	Neely
Bridges	Holland	Pastore
Butler, Md.	Hunt	Payne
Butler, Nebr.	Jackson	Potter
Byrd	Johnson, Colo.	Purtell
Carlson	Johnson, Tex.	Robertson
Case	Johnston, S. C.	Russell
Chavez	Kennedy	Saltonstall
Clements	Kerr	Schoeppel
Cooper	Kilgore	Smathers
Cordon	Knowland	Smith, Maine
Douglas	Kuchel	Smith, N. J.
Duff	Langer	Sparkman
Dworshak	Lehman	Stennis
Ellender	Long	Symington
Ferguson	Magnuson	Taft
Flanders	Malone	Thye
George	Mansfield	Watkins
Gillette	Martin	Welker
Goldwater	Maybank	Wiley
Gore	McCarran	Williams
Green	McCarthy	Young
Griswold	McClellan	

The PRESIDING OFFICER. A quorum is present.

Mr. KERR. Mr. President, I send to the desk an amendment, and ask that it lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and will lie on the table.

Mr. MARTIN. Mr. President, we have all listened with great interest to the very careful analysis of the bill by the distinguished chairman of the Committee on Finance [Mr. MILLIKIN].

Pennsylvania is an important industrial, agricultural, mining, and oil- and gas-producing State. In connection with all these activities, we should like to see restrictions upon reciprocal trade agreements. But it seems to me that, under present circumstances, it would be wise to wait until what is known as the second Simpson bill is on the calendar before proposing such limitations.

I have before me a long list of labor organizations and business concerns in Pennsylvania which desire modifications of the present law. I am of the opinion, however, that we should go along with the modifications suggested by the chairman of the committee.

Among those in Pennsylvania who are disturbed by importations presently coming to the United States are:

American Watch Manufacturers Association; American Watch Workers' Union, Independent; American Glassware Association; American Flint Glass Workers Union, AFL; American Lace Manufacturers' Association; North American Lace Co.; Amalgamated Lace Operatives of America, Independent; American Dry Milk Institute; National Milk Producers' Association.

Altogether, the list contains more than 30 manufacturing and labor associations and organizations, including oil operators, coal operators, and the United Mine Workers of America in Pennsylvania.

Already in Pennsylvania 100,000 mine workers are out of work because of the importation of residual oil. The importation of such oil is not only detrimental to the mine workers and coal operators of Pennsylvania, but also to the oil operations of our State. Moreover, the importation of residual oil has curtailed the use of railroads, which means that a great number of railroad workers are now unemployed.

These groups have suggested to the Pennsylvania legislature a resolution protesting importation and the resolution has been adopted by the legislature.

Nevertheless, I feel that the bill as amended by the Committee on Finance should be enacted. I think the proper way to proceed is to wait until the other bill to which I have referred is before the Senate.

In order that the Senate may have before it a complete list of organizations protesting, together with their reasons therefor, I ask unanimous consent to have printed at this point in the RECORD a statement by the Pennsylvania Employer-Wage Earner Job Protection Association, dated June 29, 1953, together with a concurrent resolution approved by the Pennsylvania Senate on June 24, 1953.

There being no objection, the statement and concurrent resolution were ordered to be printed in the RECORD, as follows:

JOB SECURITY FOR THE WAGE EARNERS MUST BE SUPPORTED BY JOB PROTECTION

PENNSYLVANIA EMPLOYER-WAGE

EARNER JOB PROTECTION ASSOCIATION,

Harrisburg, Pa., June 29, 1953.

To the Honorable Members of the House of Representatives, General Assembly of Pennsylvania:

Senate Concurrent Resolution, Serial No. 126 (copy attached), has been approved by the honorable members of the senate. This resolution memorializes the Congress of the United States to provide adequate safeguards in proposed trade and tariff legislation, now before Congress, to prevent the destruction of Pennsylvania's industries, and the labor and living standards of our wage earners.

The same resolution has been introduced in the house by the Honorable William Z. Scott (Serial No. 74, Resolution No. 56). Another resolution urging that the Members of Congress be memorialized to provide an adequate limitation upon the imports of residual oil, and also for adequate tariffs upon imports of residual oil to protect Pennsylvania's coal industry, and the jobs of the mine workers and related industries, has been introduced in the house by the honorable members,

Charles A. Auken, George E. Jones, and Daniel H. Erb. This resolution is serial No. 40, resolution No. 33.

Senate resolution No. 126 not only urges relief against the injury from the imports of residual oil, but also covers all other foreign imports affecting the industry, agriculture, and labor groups of the State.

The widespread damage to Pennsylvania's industrial and labor groups from cheap foreign imports can be realized by the great number of protests to Congress from those being injured in the State. During the recent hearings of the House Ways and Means Committee of Congress a great amount of evidence was received. The following industrial associations, companies, and labor unions, with interests in Pennsylvania, are some of those whose protests can be found in the printed testimony of the committee hearings:

American Watch Manufacturers' Association.

American Watch Workers' Union (Independent).

American Glassware Association.

American Flint Glass Workers Union, A. F. of L.

American Lace Manufacturers' Association.

North American Lace Co., Philadelphia.

Amalgamated Lace Operatives of America (Independent).

American Dry Milk Institute.

National Milk Producers' Association.

National Creameries' Association.

American Cotton Manufacturers' Institute.

National Association of Cotton Manufacturers.

National Association of Wool Manufacturers.

American Paper and Pulp Association.

Hammermill Paper Co., Erie.

American Federation of Labor, George Meany, president.

Anthracite Institute.

National Coal Association.

Pittsburgh Consolidation Coal Co.

Rochester & Pittsburgh Coal Co., Indiana, Pa.

New York Central System.

The Pennsylvania Railroad.

United Mine Workers of America (Independent).

Brotherhood of Firemen and Enginemen.

Order of Railway Conductors.

Brotherhood of Railway Trainmen.

Mushroom Growers' Cooperative Association.

Brandywine Mushroom Corp.

Cordage Institute.

Hat Institute, Inc.

United Hatters, Cap, and Millinery Workers' Union, A. F. of L.

Bradford District, Pennsylvania Oil Producers' Association.

The Middle District, Pennsylvania Oil Producers' Association.

United States Potters' Association.

Shenango Pottery Co., New Castle.

Vitrified China Association, Inc.

International Brotherhood of Operative Potters, A. F. of L.

The National Labor-Management Council on Foreign Trade Policy.

Pin, Clip, and Fasteners' Association.

United Wall Paper Craftsmen and Workers of North America, A. F. of L.

Synthetic Organic Chemical Manufacturers' Association of the United States.

Luggage and Leather Goods Manufacturers of America, Inc. (75 plants in Pennsylvania).

United Textile Workers of America, A. F. of L.

Book Manufacturers' Institute, Inc.

International Brotherhood of Bookbinders, A. F. of L.

Soft Fibre Manufacturers' Institute, Inc. (plants in Philadelphia, Hanover, Reading, and Allentown).

Trojan Powder Co., Allentown.

International Photo Engravers' Union,
A. F. of L.
New Jersey Zinc Co., Friedensville, Pa.
Wood Screw Manufacturers.
Wine Association of Pennsylvania.

The American Federation of Labor, through its president, Hon. George Meaney, has filed a strong protest with the House Ways and Means Committee against the destruction of American wage standards by cheap foreign imports.

President Meaney furnished the committee with the detailed reports of action by the delegates at the annual convention of the federation, held in San Francisco, Calif., in September 1951. In a letter to Hon. DANIEL A. REED, chairman of the committee, under date of April 30, 1953, President Meaney stated:

"These two statements make it clear that the American Federation of Labor favors a maximum of trade, subject, however, to the conditions that imports from low-wage countries do not undermine our wage standards."

The Members of Congress from Pennsylvania are fighting hard for the protection of the State's industries and the jobs of the wage earners. Their efforts in behalf of Pennsylvania merit the recognition, endorsement, and cooperation of the Legislature by the support of Senate Resolution No. 128 when it comes before the House for action by the Members.

RESOLUTION INTRODUCED BY SENATORS A. H. LETZLER AND MURRAY PEELOR IN THE SENATE
APRIL 15, 1953

Senate Concurrent Resolution, Serial No. 126

Whereas increased importation of numerous products that come into competition with the output of factories, farms, and mines of Pennsylvania, replacing the products of Pennsylvania's industries, is a constant menace to the State's continuing economic stability;

Whereas the lower wages paid abroad make it impossible for many of our own smaller and medium sized producers to compete with imports without resorting to ruinous price cutting, which in turn would result either in financial losses or heavy pressure for wage reductions and outright unemployment;

Whereas our national obligations have reached such extreme proportions that the national income must be maintained at its present unprecedented high level, or close thereto, lest we become insolvent;

Whereas pressure that comes from imports of residual fuel oil, having risen from an average of 50 million barrels in the 1946-48 period to more than 125 million in 1952, or the equivalent of 31 million tons of coal; from imports of pottery, watches and parts, glassware, lace, carpets and other textiles, hats and millinery, chemicals, scientific apparatus, cutlery, dairy products, wallpaper, luggage and leather goods, and many other articles, will render the upholding of the economy at its high levels most uncertain and difficult unless all import trade is placed on a fair competitive basis and the potential injury therefrom thus contained;

Whereas a maximum of such trade results from a prosperous domestic economy freed from the threat of a breakdown resulting from unfair import competition: Therefore be it

Resolved (the house of representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania hereby memorialize the Congress of the United States that adequate safeguards be provided in tariff and trade legislation against the destruction or lowering of our American standard of living, the labor standards of our workmen, and the stability of our economy by unfair import competition and that existing trade-agreements legislation be amended accordingly; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President of the United States, the Secretary of State, the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture, the Chairman of the United States Tariff Commission, the President of the United States Senate, the Speaker of the House of Representatives, and each Senator and Representative from Pennsylvania in the Congress of the United States.

Referred to committee on mines and mining.

Approved by the senate June 24, 1953.

Mr. MAGNUSON. Mr. President, I desire to call up my amendment designated 7-1-53-C, and ask that it be stated.

The PRESIDING OFFICER. (Mr. WELKER in the chair). The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to insert the following:

SEC. 103. Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsections (a) and (b) of section 22 of the Agriculture Adjustment Act, as amended (U. S. C., title 7, sec. 624), are hereby amended to read as follows:

"Sec. 22. (a) Whenever any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic market place, or any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction with respect to any agricultural commodity or product, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, the Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Tariff Commission shall specify. The Tariff Commission shall make and publish its report to the President at the earliest possible date but in no event more than 6 months after the day on which a petition for investigation was filed.

"(b) If, on the basis of such investigation, the Tariff Commission finds and reports to the President the existence of such facts, he shall, within 30 days, by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Tariff Commission has found and declared in its report to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic mar-

ket place, or any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Tariff Commission: *And provided further*, That in designating any article or articles, the Tariff Commission may describe them by physical qualities, value, or use, or upon such other basis as it shall determine.

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

Mr. MAGNUSON. Mr. President, I ask unanimous consent to modify the amendment on page 3, line 5—

The PRESIDING OFFICER. The Parliamentarian advises the Chair that at this stage the distinguished Senator has the right to modify his own amendment without unanimous consent.

Mr. MAGNUSON. I wish to modify it as follows:

In subparagraph (b), on page 3, after line 4, in line 5, after the word "investigation," insert the words "and report" and then strike the words "the Tariff Commission finds and reports to," and after the word "President," insert the word "finds."

Let me say by way of explanation that this changes the first two lines of subparagraph (b) to read as follows:

(b) If, on the basis of such investigation and report, the President finds the existence of such facts, he shall—

And so forth. The effect of this change is to make it clear that the recommendations of the Tariff Commission are not binding on the President, and to make it clear that the President, as the Chief Executive in the field of foreign policy, has the right to exercise his own judgment as to whether or not to follow the recommendations of the Tariff Commission. I am confident that in most cases he will and should follow such recommendations, but this change will give him some leeway. As modified, the language substantially conforms to the language presently contained in section 22 on this point.

There has been some suggestion to the effect that the amendment in its original form would have the effect in some cases of bypassing the judgment of the President on these matters. I wish to modify the amendment so that the language will be clear.

I have prepared a statement on the subject, because it is a technical subject. It may be a new subject to some Sena-

tors who have not heard it discussed previously, but it is not a new subject in the Senate. I think I have brought this question up on 5 different occasions, and five different times the Senate has debated the subject at great length and in great detail. However, it is somewhat technical. With the modification to which I have referred, which leaves no question about bypassing the judgment of the President of the United States, whoever he may be, the language substantially conforms to the language in section 22.

Let me say at the outset that I have always taken the position, as have many other Senators and many Members of the House, that the language in section 22 of the Agricultural Adjustment Act either should be repealed or made effective. Our experience has been that it has not been effective. The procedures are clumsy. There has never been any consummation of the intent of Congress, except in two cases which I shall point out in my statement, in some 17 years. The act has not been effective. I think it is quite important that we make it effective.

My amendment to the pending bill is in reality an amendment to section 2 of the Agricultural Adjustment Act. It permits an affected agricultural industry to present its case directly to the Tariff Commission when imports threaten to impair or destroy price supports, marketing orders, acreage allotments, or similar programs authorized by the Agricultural Adjustment Act.

Before discussing the amendment itself, I wish to reiterate my position on the entire question.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield.

Mr. CORDON. The Senator from Oregon is interested in the modification which the Senator from Washington has just made in his amendment. He has a question in mind as to whether the modification was intended—or, if not intended, whether it has that effect—to place in the President the final responsibility for a finding in accordance with the investigation and report of the Tariff Commission as to the facts with respect to possible danger to agricultural products.

Mr. MAGNUSON. Danger to a governmental program.

Mr. CORDON. Danger with respect to agricultural products the prices of which are supported under a governmental support program. The question is whether the President must accept, as a part of such findings, the conclusion of the Tariff Commission as to exactly what remedy he, the President, must adopt. The modification made by the Senator clearly gives the President the final decision as to the existence of the facts of danger to our support program, and to the products supported. Could the President also, under the Senator's modified amendment, use his own discretion as to the remedy which is necessary? In other words, could he use his

judgment with respect to a percentage increase in the import fee, or could he use his own judgment with respect to the quota to be determined?

Mr. MAGNUSON. I should say that under the provisions of my modified amendment he could use his judgment, as the Senator has pointed out. I thought he could even under the other language. In practical effect, he would be doing so anyway. Suppose the Tariff Commission said to the President, "With respect to this particular item, we recommend so and so." Even without the modification, as a practical matter, until the President put the recommendation into effect there would be no way in which the recommendation could have any effect upon the product. I maintain that the President always had such authority. If he did not have, I do not know what anyone could do about it. Therefore, by modifying this amendment we make it clear that the President is a part of the picture. After the Tariff Commission makes its finding, the President can change it. I presume that in 99 out of 100 cases he would either approve the recommendation of the Tariff Commission or disapprove of it entirely, and not make any changes with respect to facts or specific recommendations.

Mr. CORDON. Will the Senator further examine his amendment on page 3, beginning in line 5 and running through lines 11 and 12, and advise the Senator from Oregon whether that language makes mandatory the acceptance by the President of the conclusions of the Tariff Commission as to remedy once the President has made his finding as to facts?

Mr. MAGNUSON. If I correctly understand the question of the Senator from Oregon, I may say the amendment provides that the President shall act within 30 days, but under this language the President is not bound to act.

Mr. CORDON. I do not believe the Senator understood my question.

Mr. MAGNUSON. I must have misunderstood the Senator.

Mr. CORDON. It is not a question of the time within which the President shall act. It is not a question of whether the President has the final responsibility for determining whether action shall be taken. It is a question of what action he must take if he reaches agreement with the report of the Tariff Commission that some action should be taken.

Mr. MAGNUSON. I believe I understand what the Senator means. As the amendment now reads, the President, as the Senator points out, would have to act one way or the other. He would have to say "Yes" or "No." He would put the report of the Tariff Commission into effect, or he would disapprove of it under the language of the amendment as it now reads. I believe I understand the Senator.

Mr. CORDON. That is the way the amendment reads.

Mr. MAGNUSON. Even if the amendment had not been changed, as a practical matter the President would have to do it anyway.

Mr. CORDON. I could understand that a situation could arise in which the President, after a careful study of the

Tariff Commission finding, might reach the conclusion that something should be done.

Mr. MAGNUSON. Yes.

Mr. CORDON. And done at once. But his conclusion might differ from that of the Tariff Commission as to how far he should go.

Mr. MAGNUSON. Yes.

Mr. CORDON. It occurs to me, if we are to give him final authority to determine the facts, that we should give him discretion with respect to the extent and character of the remedy. It seems to me that it would fit the philosophy of the modified amendment if such discretion were vested in the President.

Mr. MAGNUSON. We give him the same authority he now has with respect to the imposition of import fees up to 50 percent, ad valorem, namely, flexibility with respect to it. I suppose that the President, as he does now, would recommend some action to the Tariff Commission, and I believe he has taken such action with respect to a different percentage or a different quota, or a different amount of a quota.

Mr. CORDON. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. CORDON. What I am calling to the Senator's attention I will do by skeletonizing the language of the amendment.

Mr. MAGNUSON. I believe the Senator is reading from page 3 of the amendment.

Mr. CORDON. Yes. I am at line 6, and I will skeletonize the language.

The President shall, within 30 days, by proclamation impose such fees as—

Now I am down to line 11—

the Tariff Commission has found and declared in its report to be necessary.

That indicates to me that he is bound by the finding of the Tariff Commission as to what fee or what quantitative limitation he may impose.

Mr. MAGNUSON. The language does say that.

Mr. CORDON. It would seem to me that we should give him discretion as to both.

Mr. MAGNUSON. But it also gives him authority to do nothing.

Mr. CORDON. Yes; he could refuse wholly.

Mr. MAGNUSON. Which is what has been done on many occasions.

Mr. President, I desire to make my position clear on the whole broad subject, because on the many occasions when such proposals as this were before the Senate I believe they were somewhat misunderstood.

Some of us who have supported the streamlining and strengthening of section 22 of the Agricultural Adjustment Act have been misunderstood by some of the strong advocates of the whole reciprocal-trade program.

I believe in the reciprocal-trade program. I am convinced it provides the best method yet devised for reducing tariffs and for promoting freer trade insofar as reduction of tariffs will contribute to that objective. In 17 years now, both in the House and in the Sen-

ate, I have been a strong supporter, and still am, of the reciprocal-trade program.

I offer this amendment because I am thoroughly convinced that its adoption will prolong the life of two vital and progressive programs: Reciprocal trade itself and full parity prices for the farmers of this Nation. Both of these programs I have supported in the past and intend to support in the future.

Our proposal is directly related to the pending bill, even though in reality it is an amendment to section 22 of the Agricultural Adjustment Act.

There is precedent for including the amendment in reciprocal trade legislation. Let me document that statement.

The 82d Congress passed the Trade Agreements Extension Act of 1951. Section 8 of that act contains an amendment to subsection (f) of section 22 of the AAA Act. The 82d Congress thought it entirely appropriate to include this amendment in the Trade Agreements Extension Act of 1951.

The amendment we are offering is directly related to the pending bill for another reason. Reciprocal trade legislation deals with tariffs and revenues. Because it deals with tariffs and revenues, the House Ways and Means Committee and the Senate Finance Committee have jurisdiction.

Section 22 of the Agricultural Adjustment Act likewise deals with revenues. That section authorizes the President to place quotas on agricultural imports, thereby reducing revenues. Likewise, this section authorizes the President to impose import fees, thereby increasing revenues.

Mr. President, the reciprocal trade legislation, as we all know, was sponsored by a great Secretary of State and a great President—Cordell Hull and Franklin D. Roosevelt. Congress first approved the program in 1934. I started voting for it in 1936. The following year the Congress added section 22 to the Agricultural Adjustment Act, and in 1936, after full consideration of its relationship to reciprocal trade, Congress reenacted this section. This sequence of events proves that President Roosevelt, his Secretary of State, and a Democratically controlled Congress recognized the necessity of protecting our farm program from excessive imports. They recognized that reduction of tariffs through reciprocal trade agreements might produce adverse effects on marketing agreements, acreage allotments, and other programs undertaken pursuant to the Agricultural Adjustment Act.

I mention this because there are some extremists who throw up their hands in horror every time any Member of Congress or individual has the temerity to suggest that it is inconsistent and, in fact, nonsensical to spend millions of dollars to stabilize farm prices in this country—and we are having more trouble now than ever on that score—and then permit excessive imports to impair the effectiveness of our domestic effort.

To me the issue is simple. The more successful we are in achieving a respectable level of prices for domestic farm production, the greater the incentive we

create for imports of the same and competing products.

The whole objective of the farm programs authorized by Congress is to maintain a price level in this country that will produce a fair return to the farmers. As we achieve this objective, it is inevitable that prices of farm products in the United States will be higher than in the world market. This situation serves as a magnet to draw imports. Unless we are prepared to support world prices, therefore, we must have reasonable and effective tools with which to control imports.

I go so far as to assert that we are on the horns of a dilemma. Either we must abandon the whole concept of Federal assistance to the farmer, or we must protect the program we authorize, and on which we spend millions of dollars, from impairment or outright destruction by imports.

It is my conviction that the American people desire a continuation of the farm programs now in effect, because they realize the relationship between farm income and the prosperity of the Nation. Further it is my conviction that our foreign friends can readily understand that it would be foolish, unbusinesslike, and even disastrous for the United States Government to encourage a high level of prices at home and then throw the door wide open to certain imports. Were the circumstances reversed, I am sure that England, France, Italy, Japan, and our other allies would not engage in such an unbusinesslike procedure.

As I have pointed out on the floor of the Senate on many occasions, when we drew up the Geneva Charter which was designed to lay the basic groundwork for reciprocal trade agreements, the other nations took cognizance of that fact, and a part of the charter allows flexibility for countries which support, governmentallywise, their farm programs; and such countries would do the same thing.

It is true that our foreign friends need American dollars. I believe they are smart enough to understand that they will actually receive fewer dollars for the farm products they ship to us if those imports are permitted to come in in such excessive quantities that they depress the prices of the product in the American market.

At this point I should like to quote briefly from testimony presented by Secretary Benson to the Senate Agriculture Committee. I believe he stated the proposition accurately and well. He said:

In recognition of the fact that a stimulation of imports can impose an intolerable burden on a price support program, the Congress enacted section 22 of the Agricultural Adjustment Act. This section provides for the imposition of import quotas or import fees whenever imports of any agricultural commodity or product thereof render or tend to render ineffective or materially interfere with any price support or marketing order (and certain other) program. This is permanent legislation.

Although section 22 was originally enacted in 1935, it was very little used. It calls for investigations by the Tariff Commission

after recommendation by the Secretary of Agriculture. Only 5 such investigations have been instituted in the past 17 years. Experience has shown that these investigations are long drawn out and this procedure has proved to be wholly ineffective to meet the problem.

That is what I have been trying to say on the floor of the Senate on many occasions.

Mr. LANGER. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. LANGER. I wish to ask the distinguished Senator from Washington if it is not true that practically every farm organization and practically every consumers' organizations have endorsed the so-called Magnuson amendment. Is it not true that practically all those organizations are wholeheartedly in favor of the amendment?

Mr. MAGNUSON. Yes; so far as I know, the major organizations are.

Mr. LANGER. Those of the East, the West, the North, and the South favor the amendment—organizations all over the country favor it—do they not?

Mr. MAGNUSON. Yes. They feel that either we should do what the Secretary of Agriculture says should be done, according to the Secretary's statement which I have just been reading, or we should take such other action as would serve the purpose. Let me point out that, strangely enough, the Secretary of Agriculture has changed his mind about some of the sections, as I shall show a little later by reading from a letter he wrote. But he has constantly said, "Either repeal section 22 or make it effective."

If there is any quarrel about the matter, I wish to point out that our only purpose is to make section 22 effective. These organizations say it makes no sense for the Government to spend money to keep farm-commodity prices stable, on the one hand, and, on the other hand, to allow one or more commodities—perhaps only one, in some years; although in other years a great number of products are involved in this respect—to interfere or to tend to interfere with or to wreck the program, as the Secretary of Agriculture has pointed out.

What we propose is within the framework of the reciprocal trade agreements program, because such action is provided for, both in our case and in the case of the other countries concerned. The result of such action will be to encourage trade, to bring about more trade.

Mr. President, I do not need tell any Member of Congress or any member of the farm groups or groups of growers of certain products what the procedure is in the attempt to take care of such a problem. The procedure often drags out for a period of 18 months, 2 years, or in some cases 3, 4, or 5 years. By that time one is simply locking the barn door after the horse has been stolen.

We are merely trying to make the procedure simple. If section 22 should remain on the statute books, then we wish to provide for a simple procedure for relief, when necessary.

All the organizations to which my distinguished friend, the Senator from North Dakota, has referred have never been able to understand why we have not done something about this matter, because I think everyone believes in the theory of the program under section 22 of the act.

The present Secretary of Agriculture also said:

We feel strongly that Congress intended section 22 to be used, and used effectively, whenever necessary to protect price support and other programs.

If that section is not going to be used for that purpose, certainly it is futile.

The Secretary of Agriculture further said:

The statutory history clearly so indicates. I am sure that some effective means of controlling imports of agricultural commodities and products is absolutely essential to the success of many of this Department's programs. If commodities which are susceptible to import competition are supported in price or if marketing is limited by marketing orders, marketing quotas or the like, the quantity of the domestic product withdrawn from the market, in absence of such controls, will simply be replaced by imports of like competitive products from abroad. Such imports impair or destroy the effectiveness of the Department's programs and prevent American growers from deriving the benefits the programs are designed to afford them. With increasing competition appearing from abroad and with increasing surpluses developing in this country, the future success of many of our programs is largely dependent upon the existence of adequate machinery for import controls and its prompt and effective utilization in all proper cases.

Mr. President, I could develop a little further the Secretary's statement about increasing surpluses, which I think have a great deal to do with the problem confronting us, and which I am sure are giving the Secretary of Agriculture and also the Congress great concern at the present time.

The Secretary of Agriculture further said:

Section 22 can and should be strengthened to meet this need. The President's authority under section 22 covers all agricultural commodities, and products thereof, for which the Department of Agriculture has a program. Moreover, it is embodied in permanent legislation. The problem is not a temporary one; it will be with us as long as we have any programs that keep our domestic prices above the world level.

I repeat, Mr. President, that the Secretary of Agriculture has stated the proposition well. His remarks constitute an excellent argument for adopting the amendment my colleagues and I are suggesting.

Mr. President, the Secretary's statement makes good sense. I am sure that no Member of Congress and no one else in the country who understands the problems expects us not to keep farm prices above at least the present world levels or not to keep our agricultural programs alive.

Mr. HUNT. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. HUNT. Does the Senator from Washington have the understanding I have, namely, that our national income

is always, consistently, and has been throughout the life of the Nation—almost exactly seven times the farm income?

Mr. MAGNUSON. I believe that is what the figures show.

Mr. HUNT. And in our economic history each and every year when the farm income has dropped, so has our national income dropped proportionately, has it not?

Mr. MAGNUSON. That is correct.

Mr. HUNT. Therefore, I rise to emphasize the point the Senator from Washington has just so well made, namely, that the prosperity of the Nation depends primarily on the farm income.

Mr. MAGNUSON. Mr. President, I am not an economist—I looked around for the professor, and find he has gone—but I have read a great deal about some of the economic problems throughout our history. I am sure the Senator from Minnesota, the Senator from Wyoming, and the Senator from Colorado will agree with me; in fact, I believe that anyone who has examined the economic problems of the Nation will find that the warning signal, the red flag of an economic depression, has always been the decline of farm prices and farm income. That happened in 1927. It also happened in 1891, 2 years before the panic of 1893. Before every depression or panic, the forerunner, the red flag of warning, has been a decline in the purchasing power of the farmers. That is why I think this matter is all the more important.

I have read what the Secretary of Agriculture said in regard to this proposition.

Now, Mr. President, I wish to discuss briefly the provisions of section 22 and the changes proposed by the amendment. Those changes are highly technical, and I shall therefore describe them briefly. When imports threaten the effectiveness of a price support, marketing agreement, acreage allotment or other program, section 22 authorizes the President to impose an import quota on the product reducing the quantity to not less than 50 percent of the imports during a representative period. It also authorizes the President under those circumstances to impose an import fee of not more than 80 percent ad valorem. We are not changing this authority in any way in our amendment. We do propose to simplify and strengthen the procedure—the procedure under which an affected agriculture industry gets its case before the Tariff Commission for consideration.

I can best illustrate the procedural change by tracing the steps required under the present law. This is what the complaint is about, mainly.

At present the affected agricultural industry must take its case to the Secretary of Agriculture. If the Secretary of Agriculture thinks there is substance to a complaint, he will investigate. If after investigation he finds the facts so warrant, he submits a recommendation to the President that an investigation be made by the Tariff Commission. The President can decide to request the Tariff Commission for an investigation or he can refuse to do so. If he decides to request an investigation, the Tariff

Commission holds a hearing to develop the facts.

The Commission may decide that no action is warranted, or it may recommend to the President that an import quota or an import fee be imposed. The President can then decide to follow the Tariff Commission's recommendations or to modify it or to ignore it altogether.

It can be seen from the procedure I have outlined that an industry cannot even get its day in court—cannot even get its case before the Tariff Commission, unless it has the approval first of the Secretary of Agriculture and then of the President.

Mr. President, I need not go into the record of the length of time consumed in attempting to achieve those two things, or the time consumed when such matters finally come before the Tariff Commission. Some industries have simply disappeared. They have experienced 6 or 7 crises in the matter of crops before a decision is rendered.

Under our amendment an effected industry would be guaranteed its day in court—would be guaranteed an opportunity to present its case to the Tariff Commission. The amendment provides that "the Secretary shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation" whenever imports threaten to impair or destroy a domestic farm program.

To prevent the Tariff Commission from being swamped with frivolous applications for investigation, the amendment stipulates that investigations "shall be conducted subject to such regulations as the Tariff Commission shall specify." This provision authorizes the Tariff Commission to set up criteria or regulations that will be sound and reasonable. I am sure the Congress can trust the members of the Commission to handle this aspect of the problem.

Our amendment further provides that the Tariff Commission shall complete its investigation and report to the President within 6 months from the day the petition for an investigation was filed. The Commission would make its report public, thus giving the effected industry an opportunity to know where it stands. In the past it has often been impossible to ascertain what decision the Commission made and the basis on which its decision was reached. In other words, some of those who felt they had a case woke up, after many months, to find that no action has been taken; why, they do not know; and the condition continues.

The Interstate Commerce Commission, the Federal Power Commission, Federal Communications Commission, other commissions and our courts publish their decisions. They do not decide a case and then keep the verdict secret. It seems to me an agricultural industry seeking action under section 22 has a right to know where it stands. This particular provision is the same as that now contained in escape-clause actions.

The Commission would have to decide on the basis of all the facts whether to recommend that the President impose an import fee or quota. Obviously the Commission would obtain facts from all

branches of the Government as well as from all outside parties at interest, including the industry. Based on these facts, the Commission would decide what recommendation, if any, to make to the President.

If the Commission, after weighing all the facts, finds that imports are impairing or threatening to destroy the marketing agreement, acreage allotment, or price support program, it would recommend action to the President, and the President would be under heavy compulsion to follow that recommendation. He would not be forced to follow the recommendation because there is really no way to force the President to take affirmative action.

There is one substantive change in the amendment we are offering in that we provide authority for the President to deal with an emergency situation while the case is pending before the Tariff Commission. I refer to the last sentence of the amendment, which reads as follows:

In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting recommendations of the Tariff Commission, such action to continue in effect, pending report and recommendations of the Tariff Commission and action thereon by the President.

That would merely mean that in certain rare emergencies some action could be taken while the case was pending, but the action would be effective only while the case was pending.

The language I have just quoted is taken from a bill introduced by the Senator from Vermont [Mr. AIKEN], chairman of the Senate Committee on Agriculture and Forestry, for himself and the senior Senator from Florida [Mr. HOLLAND]. The bill was introduced on April 17. I understand the language it contains has the endorsement of the Secretary of Agriculture.

I assume it also has the full support of the senior Senator from Vermont and the senior Senator from Florida, who introduced the bill, since they are co-sponsors.

Since we are suggesting a method of streamlining and strengthening section 22, it seemed to me appropriate that this language be included in our amendment. The provision is the same as the one contained in many escape clauses.

Mr. President, I have already stated my belief that we cannot support prices of domestic farm products without having an effective tool for regulating imports. We cannot in good conscience ask the farmers of this country to regulate the flow of their products to the market place through marketing agreements and then permit an unregulated flow of imports to destroy the effectiveness of their efforts. We cannot in good conscience ask the farmers of this country to accept acreage allotments—to restrict their production—and at the same time permit imports to destroy the effectiveness of that action.

We must either abandon the whole concept of assistance to agriculture con-

tained in the AAA Act or make section 22 an effective tool for dealing with the import problem. There is no point in having a section 22 on the books that will not work. We might as well quit kidding ourselves and our farmer friends on that point. Let me cite an example.

We now have in effect a quota on wheat imports—of 800,000 bushels a year. We are supporting the price of wheat at approximately \$2.10 a bushel. The world market price for wheat is substantially under that figure. We had in the hands of Commodity Credit Corporation on June 8, 310 million bushels of wheat—with the prospect of having to purchase another 140 million bushels within the next few weeks. Simultaneously, we are negotiating an International Wheat Agreement designed to dispose of another 185 million bushels of our domestic production. Now, would it make sense to eliminate or increase the 800,000 bushel quota thereby encouraging additional imports? Obviously no one would suggest such a course of action. But that is what has been happening under section 22 with respect to other agricultural products, for the past 17 years. We must either protect the price support programs on wheat from excessive imports, or abandon the program entirely.

On two previous occasions the Senate has passed an amendment similar to the one we are now proposing.

In 1949 the Senate passed a similar but more drastic amendment by a substantial majority—as a part of the Anderson farm bill. The amendment, however, was emasculated in conference with the House.

In 1950 the same amendment was approved unanimously by the Senate Agriculture Committee and passed the Senate without objection as a part of the Commodity Credit bill. We again lost it in conference.

Mr. President, when I speak about the wheat situation, I may also point out for the Record that the only two commodities which have these quotas, as I understand from checking into the matter, are wheat and tobacco. But we saw fit to do something with respect to those, and I think we ought to have a simplified procedure, which would enable the Secretary of Agriculture and the Tariff Commission to take action of that kind with respect to other products.

Mr. YOUNG. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG. I think oats and rye are excellent examples of imports which are completely wrecking our agricultural prices, and we have been unable to get action.

The national production of rye amounts to approximately 17 million bushels. Our visible supply is 2 million bushels, or less. Still, the price is far below support levels because much of our requirements are coming from Canada. Any person who wants rye knows he can get it in Canada any time he desires. So the price of rye continues low.

We are importing approximately 70 million bushels of oats a year. That amount, in comparison with our total

production of approximately 1,250,000,000 bushels, is not so much, but when we consider that only approximately 250 million bushels of oats reach the cash market, and that amount determines the price of the whole crop, 70 million bushels imports, becomes an important factor.

We have been endeavoring for more than 2 years to get some action with respect to oats and rye imports. The Agricultural Department wants to help; it has made favorable recommendations on oats, but it has not yet had any result with the tariff commission.

I favor the amendment of the Senator from Washington.

Mr. MAGNUSON. I appreciate what my friend from North Dakota has said. He is an expert on these matters. Many persons consider the production figures as against a certain amount of imports, not realizing that the production figures do not represent what goes to the market place. Sometimes a small percentage of oats or rye can effect the price overnight.

Mr. YOUNG. That is absolutely correct. The average support price for oats in North Dakota is 72 cents a bushel, which is 85 percent of parity. The average price of oats in my State today is less than 50 cents a bushel. We would not have to prohibit imports entirely, but only to limit them in a reasonable amount.

Mr. MAGNUSON. Two years ago a similar amendment was laughed at in the Senate, because it then happened that the emergency products included one little item called blue cheese, which was a prime example of what can happen. The amendment became known as the blue cheese amendment. But we are talking about all agricultural commodities. I can remember the time when citrus fruit was in a similar situation. We desire only some action for the emergency. That does not mean that we should not import a reasonable amount of citrus fruit or any other product.

I can remember when the tree nut growers were in the same situation. Only twice in 17 years has anything been done under section 22. Even then, as the Senator from North Dakota points out, things happen so rapidly that if we should wait for the normal procedure to be followed, the farmer would be out of business. He would have raised possibly 3 or 4 more crops before his last crop was reached. He would be 5 or 6 crops behind in his problem.

As of June 8 there were in the hands of the Commodity Credit Corporation 310 million bushels of wheat. The cost involved is \$837 million. Within the next 10 days, as I have pointed out, we shall have to buy another 140 million bushels of the 1952 crop.

Mr. President, no one is suggesting that we violate the concept of reciprocal trade agreements. As I said before, when we drew up the charter in Geneva there was no such idea in mind. All nations realized the situation and also realized that when the Government has such an important agricultural program there should be an escape clause. No one suggests the abandonment of the program.

I see my good friend from Wyoming [Mr. HUNT] is present. I do not know anything about the wool problem. I know only what I have been told about it, but the woolgrowers, whether their case is just or not—I assume it is just—have been before the Tariff Commission for 18 months, and there has been no action taken. Recently the administration requested the Tariff Commission, by letter, to withdraw the wool-producers' application.

There is an example of what we are trying to reach. No one wants to violate the reciprocal trade agreements. There is not a Senator on the floor who has not supported it. I have supported it during all the years I have been a Member of the House and of the Senate. Other nations do not want us to be unbusinesslike about it.

Under date of June 30, 1953, the Secretary of Agriculture sent a letter to me—I do not know what the shift is—in which he makes some suggestions with reference to the bill. I do not know whether I need to discuss the letter. Later, I shall ask to have it printed in the RECORD.

We have corrected one item by a modification of the amendment. The Secretary suggested that the President might not be involved, that we might be dealing him out of the new procedure. We corrected that situation.

The Secretary says:

I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price-support legislation is now under review.

Mr. President, we are not broadening it; we are constricting it, so we can go down a straight street and get a decision. We take care of that situation on page 2, line 3, of the bill.

The whole objective, as the Senator from North Dakota well knows, is to achieve parity at the market place. That is the whole objective of our parity legislation.

The writer of this letter says he thought it might be unwise to allow applications to be filed directly with the Tariff Commission by any person, in view of the requirement that the Commission thereupon begin an immediate investigation. He says he believes there should be some screening authority.

That is taken care of by the provision that the Commission may make their own regulations.

I think that whatever suggestions the Secretary of Agriculture had made as of June 30, as a part of his very strong statement before the Committee on Agriculture and Forestry, on the matter now under consideration, are taken care of by the amendment.

Mr. President, I have not much more to say on the subject. There is ample precedent for including in the Reciprocal Trade Act the amendment to section 22. Much could be said on that subject.

Like the distinguished Senator from North Dakota, I do not know of any organization, any group of consumers, or any other group interested in the prob-

lems of farmers, or any farm organizations themselves, who are not in agreement with the objective of the amendment. I think it will do much to support freer trade. Keeping our farm economy stable will mean more trade, more exports, and more buying power.

No one says the proposal would be a violation of trade agreements, legally speaking, but arguments have been made that the concept of trade agreements would be violated. That is not so at all; trade agreements would be strengthened.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG. I believe the Senator knows that at present more farm commodities are being imported into the United States than are being exported. Some imports are in huge amounts. The value of our coffee imports is more than \$1 billion a year. We are importing two-thirds of our sugar requirements, and about two-thirds of our wool requirements. If only there were a limitation on wool imports, as there is on sugar imports, the price of wool would be much higher. The price-support program would not be needed at all, and the interests of not only the farmers but of the whole Nation would be best served.

Mr. MAGNUSON. I agree with the Senator. The amazing thing about opposition to this kind of proposal is that it comes from persons who, when they are concerned about their own commodity, in one section of the country, such as sugar, do not think anything of going to the proper authorities and urging them to make the right kind of agreement to restrict imports. I am in agreement with that practice. As I have said, we are not in the amendment directing that anything be done; we are merely suggesting that the Committee on Agriculture and Forestry have a chance to present the case and get something done, before the Government loses 10 times the amount involved in trying to support parity prices under marketing agreements.

I ask unanimous consent to have printed in the RECORD, following my remarks, the letter of the Secretary of Agriculture, to which I have referred, and also a brief I have prepared regarding the germaneness of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the letter and brief were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, June 30, 1953.
Senator WARREN G. MAGNUSON,
United States Senate.

DEAR SENATOR MAGNUSON: In response to your letter of June 26, I am glad to give you my views with respect to the proposed amendment to H. R. 5495 attached to your letter.

Your letter refers to appearances which I have made before committees of the Congress and recommendations that section 22 of the Agricultural Adjustment Act be strengthened. I have suggested that section 22 can be made an effective instrument by improved administrative procedures and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section,

on an interim basis, pending decision by the Tariff Commission and action by the President. I feel that so strengthened, section 22 would assure the protection of the Department's price support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

The addition of emergency authority above described is the only change that I have suggested in section 22. Such a change does not appear in your proposed amendment.

The changes in section 22 contained in your proposed amendment appear to be as follows:

(1) Makes interference with "the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market places," a basis for action under section 22.

(2) Provides that the Secretary of Agriculture report directly to the Tariff Commission rather than to the President, who in turn issues a directive to the Tariff Commission.

(3) Provides authority to any interested party to petition the Tariff Commission for section 22 relief and requires an immediate investigation upon filing of such petition.

(4) Requires the Tariff Commission to make its report to the President within 6 months after the filing of a petition for investigation.

(5) Makes finding of the Tariff Commission that fees and quotas be proclaimed, binding on the President.

(1) I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price-support legislation is now under review. One of the basic questions is how full parity is to be achieved. In addition, we must not overlook the effects of section 22 actions on international trade objectives. One of our current problems in agriculture stems from declining export markets. It would seem advisable that this proposal be submitted to the Commission on Foreign Economic Policy provided for in H. R. 5495, now pending before the Senate. I believe this, together with other proposals for improving legislation relating to foreign trade, should be thoroughly studied by the proposed Commission before being incorporated in the statutes.

(2) I believe it is unwise to exclude the President from participation in the determinations and directions with respect to the institution of an investigation under section 22. When a section 22 investigation is instituted by the Tariff Commission, the Secretary of Agriculture and his representatives appear as a party to that proceeding. They appear for the purpose of protecting the Department's price support and other programs, as well as for the purpose of aiding the Tariff Commission in its investigation. The Department is thus an interested party. It seems to me unwise that such a party should be granted the sole authority to direct the Tariff Commission to institute the investigation. Such a function is more appropriately exercised by the Chief Executive of the Government who does not subsequently appear in the Tariff Commission proceeding as an interested party.

(3) I believe it would be unwise to allow applications for section 22 investigations to be filed directly with the Tariff Commission by any party, in view of the requirement that the Commission thereupon begin an immediate investigation. I believe there should be some screening authority. If applications are to be filed with the Tariff Commission, that Commission should have discretion in determining whether to proceed with an investigation upon such an application. I believe the present procedure is preferable.

That requires interested parties to file their applications with the Secretary of Agriculture and the Department, after investigation, determines whether there is sufficient basis for the belief that imports are interfering with departmental programs to warrant recommendation that an investigation be instituted. Such screening procedure appears to be desirable, in view of the fact that when the President directs the Tariff Commission to institute a section 22 investigation, the Commission is required to institute the investigation immediately.

(4) I doubt the wisdom of a rigid requirement that these investigations of the Tariff Commission must be completed within 6 months of the filing of an application. There may well be cases when all parties, including the Commission, would agree that further time was desirable. After the institution of an investigation, conditions may change, making it desirable that proceedings in the investigation be suspended for a time. Rather than imposing a rigid requirement of this kind, I would favor the strengthening of section 22 by providing authority for emergency action along the lines above suggested. With such emergency authority, there would be no need for a requirement that the Commission render its report within any prescribed period of time.

(5) Under the present law the President proclaims such fees and quantitative limitations as he finds are shown to be necessary by the investigation and report of the Tariff Commission. This permits an independent review of the facts by the President which is not afforded by your amendment. I believe that the President should not be excluded from participation in the determination of the changes affecting international trade which result from section 22 actions.

For the foregoing reasons, it is my view that there is no need at this time for the changes in section 22 which your amendment proposes. I believe that a strengthened section 22 would be adequate to protect the departmental programs at least during the coming year when it is expected that the whole matter will be under review and study by the Commission on Foreign Economic Policy which the legislation now pending before you will create. The prompt and effective action recently taken in connection with dairy products and certain other commodities heretofore subject to import control under section 104 of the Defense Production Act demonstrates the efficacy of the present section 22 procedure.

If we can be of any further service to you, please feel free to call upon us.

Sincerely yours,

E. T. BENSON,
Secretary.

GERMANENESS OF AMENDMENT

There is ample precedent for dealing with amendments to section 22 in the reciprocal-trade legislation. In 1951, the 82d Congress passed the Trade Agreements Extension Act of 1951. Section 8 (b) of that act reads as follows:

"Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

"No trade agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

The Senate Finance Committee adopted that language after testimony by the senior Senator from Washington and others. The Senate and House approved the language. The 82d Congress, therefore, considered it entirely appropriate to deal with section 22 in the reciprocal-trade bill because section 22 is so closely related to the subject matter covered in the Trade Agreements Extension Act.

There is an even more basic reason why the amendment we are offering to section 22 is germane. The Trade Agreements Extension Act deals with tariffs and, hence, with revenues. For precisely this reason, the extension bill is always referred to the House Ways and Means Committee and to the Senate Finance Committee.

Section 22 authorizes imposition of import quotas and import fees. If an import quota is imposed, the tariff revenue from the product involved is reduced. If an import fee is imposed, the revenue is increased.

While section 22 is related to our farm programs, it likewise is directly related and germane to the bill now under consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUNT. Mr. President, I was greatly interested in the presentation made by the distinguished Senator from Washington [Mr. MAGNUSON]. I am very much in favor of the amendment he has offered. While he did not specifically refer in his remarks to the wool industry, his amendment will be exceedingly beneficial to that industry.

As I remember, it was about 42 years ago that I first went to Wyoming. One of the very familiar sights at that time was the long wool freight outfits. Many teams of horses were hauling many wagons loaded with wool. At that time my State was second in the production of wool in the United States, and I think the same situation prevails today. Natrona County, Wyo., was at that time sixth among all the counties in the United States in the production of wool. As of today, a neighboring county, Carbon County, is second among all the counties of the United States in the production of wool. Only Valverde County, Tex., produces more wool than does Carbon County.

Beginning in the early 1930's, domestic wool production in the United States, and in my State, started downward, and imports of foreign wool began to increase, until today—and this is a rather startling statement of what has happened to one of the great props in the economy of my State—we are producing in the United States only 27 percent of the wool we consume. In other words, domestic production amounts to only 27 percent, while the other 73 percent of wool consumed in the United States is being imported. In my own county of Fremont wool production has dropped 60 percent in 10 years.

The future of the wool industry in the United States is jeopardized not alone by the importation of foreign wool, but also by the great inroads being made by synthetic products which are used in wear-

ing apparel, rugs, automobile upholstery, and dozens of other lines.

Realizing the desperate plight of the Wyoming wool producer, the senatorial delegation of Wyoming went to work more than a year ago, in cooperation with all western Senators, Republicans and Democrats alike. We were able to induce Secretary Brannan to initiate a wool price support program. As a result of the purchases, the Commodity Credit Corporation still holds approximately 50 percent of last year's production, and there is no way to estimate how low the price of wool in the United States might be today had it not been for this action.

We were also successful in having the United States Tariff Commission make a study of wool imports with the objective in mind of increasing the tariff on wool imports. Hearings were held beginning September 29, but to date the Tariff Commission has made no report.

On June 17 of this year I wrote the President, congratulating him on his proclamation imposing quotas and fees on imports of cheese and other dairy products. As Senators know we have millions of pounds of excess production of butter. The President has secured this action by the Tariff Commission in exactly 2 months to the day, and he deserves to be congratulated.

I should like to read my letter into the RECORD. I said to the President:

DEAR MR. PRESIDENT: Your proclamation of June 8 imposing quotas or fees on imports of cheese and other dairy products has been well received by the dairy industry of Wyoming. May I congratulate you on the forthright manner in which you acted.

For several years those of us who represent the wool growing industry, Republican and Democrat alike, have joined in efforts to secure positive action for this segment of our economy.

As a military leader, you undoubtedly appreciate the necessity of insuring a domestic production goal of 320 million pounds of shorn wool which is established by the Agricultural Adjustment Act. The Department of Defense has recognized the essential nature of the domestic wool industry to our defense needs.

The wool industry has gone down from 56 million head of sheep 10 or 12 years ago to around 25 million head at this time. Imports of foreign wool are largely responsible for this condition.

Secretary of Agriculture Benson recently told the House Committee on Agriculture of the efforts we initiated early last year seeking to bring about the imposition of tariffs on foreign wool imports under section 22 of the Agricultural Adjustment Act. Upon the recommendation of former Secretary Brannan, the United States Tariff Commission held hearings on this problem commencing September 29, 1952. Up to this date, I understand, no report has been made by the Tariff Commission.

Contrast this lack of action with the speed with which the Tariff Commission acted in the cheese and dairy instance. On April 8, 1953, you directed the Commission to make an immediate investigation in accordance with the provisions of section 22 of the Agricultural Adjustment Act. Public hearings were held on May 4 and 7, and on June 8, 2 months later, you issued your proclamation.

Secretary of the Treasury Humphrey only a few weeks ago imposed countervailing

duties on wool tops imported from Uruguay. This was a step in the right direction, and we all applaud the action.

May I point out, however, that figures furnished me by the Tariff Commission show that Uruguayan wool top imports totaled 17,140,000 pounds last year. Raw wool imports, which are not affected by Secretary Humphrey's action, amounted to 379,677,094 pounds. In other words, only 4 percent of the wool imported last year was wool tops from Uruguay. Ninety-six percent of the total was raw wool sent into this country by the foreign wool growing areas of the world. That 96 percent is still coming into the United States.

The major threat to our domestic wool industry comes from imports of raw wool.

I know that you are pressed with the consideration of multitudinous matters of state, and would not write you except that I feel this problem is so urgent to the West.

May I solicit your earnest consideration of this problem?

I may add that on many occasions I telephoned the Tariff Commission. I was in constant communication with the Tariff Commission, but always to no avail. They simply reported no progress and no information was obtainable with reference to the date upon which it was thought they might make a report.

The President acknowledged my letter and advised me that an answer would be coming forthwith. However, much to the surprise and disappointment of the wool industry, the President, on June 25, addressed a letter to the Chairman of the Tariff Commission from which I quote briefly:

The program of the Department of Agriculture involved in this investigation (tariff on wool imports) was for the year which, as extended, ended April 30, 1953. With the program year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program year.

The National Wool Growers' Association were—and I quote from their letter to me—"caught completely by surprise, and all of us think this is beyond all understanding. It means complete dismissal of the old case and we would have to go through all the same procedures again to get another hearing. It is a very disappointing conclusion to a lot of hard work by the industry and our friends on Capitol Hill."

Wool growers, hoping to accomplish something to support their industry at this session of Congress, have requested the Senator from Washington [Mr. MAGNUSON], to offer an amendment to the Trade Agreements Extension Act, House bill 5459, which is now before the Senate, for the sole purpose of strengthening the act. The section to be amended provides that when imports of agricultural commodities destroy the effectiveness of price supports, the President can impose an import quota up to 50 percent or an import fee up to 50 percent ad valorem. Because of procedural administrative defects, the present law has never been effective, and the proposed amendment is very important.

I am also advised, Mr. President, that we may find the amendment in conflict with the President's announced program of "trade, not aid." However, I am hopeful that the membership of the Senate, both Democratic and Republican, will look first to the preservation of an industry in the West which has been a key prop of our economy ever since the West became a part of the Nation.

As an example of what the wool producer in the United States is up against, let me point out that the total cash cost per animal a year in Australia, the source of our greatest wool imports, including labor, shearing, and taxes, is \$1.91, while in the United States the cost is \$8.45.

Shearing 1 sheep in the United States costs 40 cents; in Australia, 12 cents; in Argentina, from which we get a great deal of wool, 6 cents; in New Zealand, 18 cents.

It is therefore very easily understood why the price of wool in the United States has dropped 38 percent in the past 2 years.

In my State, 2 years ago, wool sold for as high as \$1.45 a pound. I note that yesterday a large clip was sold for 51 cents a pound.

I say something must be done to save this industry.

Mr. President, at this point in my remarks I ask unanimous consent to have printed a series of cost comparisons and other statistics on the wool industry in the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Cost comparisons

Per head	United States	Australia
Hired labor.....	\$3.02	\$0.52
Shearing.....	.40	.12
Taxes.....	.84	.09
Total cash costs per animal per year, including the 3 items listed above.....	8.45	1.91

1. From BAE study of sheep operations in the intermountain region of the United States and Australian Commissioner of Agriculture reports for year 1949 (official figures).

2. Other statistics show the cost for shearing sheep per head in Argentina is 6 cents, in New Zealand 18 cents.

American industry most efficient in the world but between 30 and 40 percent of total production cost is labor, and it is impossible to compete with low labor standards such as these.

General imports of wool tops into the United States, principal countries, 1949-52

[Thousands of pounds]

Countries	1949	1950	1951	1952	Index 1949=100 percentage increase		
					1950	1951	1952
Uruguay.....	276.1	1,319.4	6,146.7	15,592	478	2,226	5,647
France.....	113.7	113.7	1,654.8	1,425	100	1,455	1,253
United Kingdom.....	263.9	781.4	361.0	378	296	137	143
Belgium-Luxembourg.....	36.4	11.6	673.4	383	32	1,850	1,052
Union of South Africa.....	57.6		200.9	257		349	446
Argentina.....	373.4	2,659.0	3,945.6	231	712	1,057	62
West Germany.....	14.7	16.3	62.4	1,093	111	424	7,469
All other.....							
Total.....	1,932.1	5,706.9	13,474.7	19,845	295	697	1,027

Source: Wool Bureau, Inc. from Government sources.

United States production, mill consumption, and imports for consumption of raw wool, average 1935-39 and 1947-52

[Millions of pounds, clean basis]

Year	Production (all apparel)	Consumption		Imports		Imports as percent of consumption apparel
		Total	Apparel	Total	Apparel	
1935-39.....	207	377	281	152	56	20
1947.....	153	698	526	399	259	49
1948.....	137	693	485	479	246	51
1949.....	120	500	339	273	155	46
1950.....	119	635	437	467	250	57
1951.....	118	484	382	361	272	71
1952.....	123	463	347	368	249	72

Source: Wool Bureau, Inc., from Government statistics.

Sheep shorn and wool production, 1942-52

Year	Number sheep shorn	Production shorn wool, grease basis	
		Thousands	Thous. pounds
1942.....		49,287	388,297
1943.....		47,892	378,843
1944.....		43,165	338,318
1945.....		38,763	307,976
1946.....		34,647	280,908
1947.....		30,953	251,425
1948.....		28,649	231,770
1949.....		26,382	212,899
1950.....		26,387	215,422
1951.....		27,357	225,545
1952.....		28,172	232,373

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics.

This chart shows wool weights based on weight at the time of shearing. This is called grease basis because it still contains grease, dirt, etc. When cleaned, weights shrink 50 percent and more. Some charts included in this statement use grease basis and some use clean basis as terminology changes at cleaning stage of preparation.

Changes in wool economy, consumption of carpet and apparel wool

	World	United States	World, excluding United States
1934-48, average:			
Consumption million pounds, clean.....	2,058	330	1,728
Population..... millions.....	2,133	128	2,005
Per capita consumption pounds.....	0.96	2.6	0.86
1946-52, average:			
Consumption million pounds, clean.....	2,402	601	1,801
Population..... millions.....	2,377	149	2,228
Per capita consumption pounds.....	1.01	4.0	0.81
Percent change, prewar to postwar:			
Consumption.....	+17	+82	+4
Population.....	+11	+16	+11
Per capita consumption.....	+5	+54	-6

Source: Wool Bureau, Inc., from Government sources.

Examination shows that wool top imports was over 10 times the 1949 volume. In 1949 wool top imports was 1.1 percent of domestic production of top. In 1952 such importation constituted 11.8 percent of domestic production. This, of course, displaces domestic wool.

National Association of Wool Manufacturers state "woolen exports to United States have jumped 642 percent from 1948 to 1952, while worsteds in the same period have gained 306 percent."

1. Imports of woven woollens and worsted fabrics in 1952 reached a 30-year peak of 24 million square yards.

2. Imports of wool tops rose from negligible quantities in 1947 to over 23 million pounds in 1952.

Why our interest in imported wool top, woolen, and worsted fabrics? Because the domestic manufacturer is the domestic wool's only customer, and the importation of such commodities not only take away jobs for American workers, but displace the use of domestic wool.

Mr. HUNT. Mr. President, I am very hopeful that all Senators will take note of the situation and will sympathize with the plea of the wool producers of the West. I am hopeful that the very fine amendment offered by the Senator from Washington [Mr. MAGNUSON] will be adopted.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WELKER in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Beall	Hoey	Millikin
Butler, Md.	Holland	Monroney
Carlson	Hunt	Payne
Cordon	Johnson, Colo.	Potter
Dworshak	Knowland	Purtell
Ellender	Langer	Schoeppel
George	Magnuson	Welker
Gore	Malone	Wiley
Griswold	Martin	

The PRESIDING OFFICER. A quorum is not present.

The clerk will call the names of the absent Senators.

The legislative clerk proceeded to call the names of the absent Senators.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded and that further proceedings under the call be dispensed with.

Mr. LANGER. Mr. President, I object. The Senator from Nevada [Mr. MALONE] is about to speak. He is one of the great orators of the Senate. He will speak on a very important question. I wish to have a real, actual quorum present to hear him.

The PRESIDING OFFICER. Debate is not in order and unanimous consent cannot be given, because the absence of a quorum has already been announced.

The clerk will resume calling the names of the absent Senators.

The legislative clerk resumed calling the names of the absent Senators; and Mr. AIKEN, Mr. ANDERSON, Mr. BARRETT, Mr. BENNETT, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CASE, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COOPER, Mr. DOUGLAS, Mr. DUFF, Mr. FERGUSON, Mr. FLANDERS, Mr. GILLETTE, Mr. GOLDWATER, Mr. GREEN, Mr. HAYDEN, Mr. HENDRICKSON, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. JACKSON, Mr.

JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. KERR, Mr. KILGORE, Mr. KUCHEL, Mr. LEHMAN, Mr. LONG, Mr. MANSFIELD, Mr. MAYBANK, Mr. MCCARRAN, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. PASTORE, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TAFT, Mr. THYE, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG entered and answered to their names when called.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the perfecting amendment as modified, submitted by the Senator from Washington [Mr. MAGNUSON].

Mr. MALONE addressed the Chair.

The PRESIDING OFFICER. For what purpose does the Senator from Nevada address the Chair?

FAIR TRADE, NOT FREE TRADE—THE FOREIGN TRADE AUTHORITY SUBSTITUTE FOR THE 1934 TRADE AGREEMENTS ACT TO ESTABLISH FAIR TRADE WITH FOREIGN NATIONS

Mr. MALONE. Mr. President, I desire to be recognized for the purpose of discussing a subject in which I am very much interested.

The PRESIDING OFFICER. Does it relate to the perfecting amendment offered by the Senator from Washington?

Mr. MALONE. I desire to speak on the bill itself and on my substitute to be proposed thereto.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

CONGRESS ABDICATED CONSTITUTIONAL RESPONSIBILITY

Mr. MALONE. Mr. President, House bill 5495 would continue for 1 year a 20-year policy of the Congress, namely, the abdication by the Congress of its constitutional responsibility to regulate foreign trade through the adjustment of duties, imposts, and excises, commonly referred to as tariffs and import fees.

CONGRESS GAVE PRESIDENT "POWER OF ATTORNEY"

The 1934 Trade Agreements Act gives the President what may be called a "power of attorney" to exercise the constitutional responsibility of the Congress to adjust duties and tariffs in the regulation of foreign trade.

Under the provisions of that act the President of the United States may remake the industrial map of our Nation in accordance with the plans of an internationally minded State Department, and for 20 years he has been presuming to do just that.

THE NEW INDUSTRIAL MAP

All the small businesses of the Nation, including those engaged in the production of machine tools, precision instruments, tile, watches, textiles, minerals, wool, crockery, fish, cattle, as well as the thousands of individuals and business organizations of the Nation, have suddenly realized that they do not appear in the remade industrial map.

THE SUBSTITUTE FOR THE PENDING BILL

I am submitting an amendment in the nature of a substitute for the pending bill, House bill 5495, a bill which would

cancel the "power of attorney" given the President by Congress through the 1934 Trade Agreements Act.

CANCEL THE PRESIDENT'S POWER OF ATTORNEY

The delegation of a constitutional responsibility of the Congress to the President to adjust the duties or tariffs and to regulate foreign trade would be canceled.

PROTECTION OF WORKINGMEN AND SMALL BUSINESS

Flexible duties and tariffs in connection with the regulation of foreign trade were long considered to be instruments of big business. The situation is now completely reversed. The big businesses are generally for free trade and the workers and small business are for a flexible duty or tariff adjusted on a fair-trade basis with foreign nations. By big business I mean a business that may be described as of such size and of such nature that it can establish branch plants behind the sweatshop labor curtain, employ assembly-line methods, and use our latest machinery in order to produce goods for exportation into this country below the cost of production under our higher standard of living wage. Such organizations are generally for free trade, and consequently support the extension of the 1934 Trade Agreements Act, as proposed in House bill 5495.

Small business may be defined as business of such a size and a nature that it cannot establish branch plants in foreign countries, but must depend upon the domestic markets for the sale of its product, at the same time paying American standard-of-living wages.

Small business, as thus defined, favors flexible duties or tariffs adjusted upon the basis of fair and reasonable competition administered by the suggested Foreign Trade Authority, a reorganized Tariff Commission, as an agent of Congress.

WORKERS AND SMALL BUSINESS DO NOT SEEK ADVANTAGE

The small businesses of this Nation, and the workers in small business, have never sought an advantage. They have never requested duties or import fees above the differential in the cost of production represented by the difference in wages at home and abroad.

FAIR TRADE, NOT FREE TRADE

The workingman and the small businesses of the United States ask only for an even break in their own markets. They ask for fair trade, not free trade.

Mr. President, under the proposed substitute the Foreign Trade Authority amendment I am submitting for the pending bill, the flexible duties or tariffs would be adjusted to establish fair trade with foreign nations.

A CONSPIRACY TO DESTROY THE AMERICAN WORKINGMEN AND SMALL BUSINESS

The free-trade program, which was and is the objective of the 1934 Trade Agreements Act, represents a conspiracy to destroy the workers and small business of America.

In addition to free trade, or what is virtually free trade, whenever duties or tariffs are lowered to a level below the differential of cost, it becomes necessary to lower the wages of the workers and

for investors to write down their investments, in order to meet the competition; otherwise, they go out of business; the national defense, the ability of this Nation to defend itself is being seriously impaired.

NATIONAL DEFENSE IMPAIRED

Mr. President, the national defense of this Nation is threatened through the very extension of the act, the reason being that we are encouraged by the one-economic-worlders to secure the products needed by this Nation in its industry wherever we can get them the cheapest.

Those are the words they use. Of course, what they mean is, that we want to buy from the sweatshop-labor nations of Europe and Asia, where the lowest cost labor is located, in competition with the workers of this country. They can mean nothing else, Mr. President.

This means that we become dependent upon the far-flung areas of the world for the minerals and materials which we cannot fight a war or maintain our economic structure without—so we are utterly dependent upon areas which we cannot defend in an emergency.

Mr. WELKER. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

BRIAR-PIPE INDUSTRY—VICTIM

Mr. WELKER. Is the Senator from Nevada familiar with probably the original and one of the most unique examples which have been brought to the attention of the American people on the Ed Murrow national television show with respect to the dilemma of the briar-pipe industry in America and the many hundreds of workers who are being deprived of work as a result of the free imports of English briar?

Mr. MALONE. Yes; I am generally familiar with that dilemma. They are one of thousands of industries in which it is cheaper to use the low-cost labor of England or Scotland and ship them into this country in competition with the product of our higher labor standards of living costs.

Mr. WELKER. Will the Senator further agree that in that portrayal to the American people many workers testified as to the ruination of the only occupation they knew, and that by virtue of this free trade in briar they were actually destitute and left without work?

Mr. MALONE. It is exactly the same situation in which every other small industry finds itself when it is of such a nature and of such size that it cannot establish branch plants behind the low-wage curtain, and, therefore, must pay American wages. When small business organization in this country do that, the difference is very largely the difference in wages, because foreign nations have all the advantage of any new machinery or new methods which are applicable to a certain industry.

All the nations in the world have access to our methods and machinery.

In a foreign nation, or in any part of this nation where there are temporarily lower wages, as in the South, as compared with those in New England, we find that same situation.

The newest type of textile machinery went into the South, where wages were lower. The same thing is happening internationally, so that a whole industry will move to a lower wage area.

The briar pipe industry got caught in the international squeeze. The State Department can take the responsibility for such a condition but the Congress is responsible.

Congress has given away its constitutional responsibility so it should be held responsible. The "power of attorney" was given to the President by Congress, who transferred responsibility to the State Department.

Mr. WELKER. Mr. President, will the Senator from Nevada yield for an observation?

Mr. MALONE. I shall be very happy to yield for an observation.

Mr. WELKER. Mr. President, the distinguished Senator from Nevada has made a deep study of the problem which he is now discussing.

I doubt if any other Member of the Senate has taken one-fiftieth of the time to study this important question that has been devoted to it by the junior Senator from Nevada. He has spoken throughout the State of Idaho and has received there a fine reception, because my people in the State of Idaho realize the importance of the problem which the distinguished Senator from Nevada is trying to present to the American people. I commend the Senator for his courageous act.

Mr. MALONE. I thank the Senator from Idaho.

1934 TRADE AGREEMENTS ACT A SUBTERFUGE

Mr. President, the extension of the 1934 Trade Agreements Act for 1 year while the subject of foreign trade is being studied looks reasonable on the fact of it until the facts are examined, together with their relation to the entire international socialist pattern.

THE ACHESON-FRANKFURTER-HISS GROUP THREE-PART FREE-TRADE POLICY

The Acheson-Frankfurter-Hiss group tied the domestic economic policy and the foreign policy of this Nation together through the 1934 Trade Agreements Act, the division of the markets of the United States through the free-trade policy adopted under the Trade Agreements Act, the practice of making up the trade balance deficits of European nations through the lend-lease extension, the surplus-property disposals, cash and gifts each year, called variously UNNRA, International Bank, International Monetary Fund, the Export-Import Bank loans, the \$3,750 million loan to England the Marshall plan, ECA, Mutual Security, and point 4—coupled with the original proposed International Trade Organization, to make the division of the wealth permanent.

ACHESON AND THORP

Dean Acheson, then Secretary of State, and Willard Thorp, his assistant, testified many times before congressional committees that it was difficult to separate the domestic and foreign policies. I would say, Mr. President, after they operated for 14 years, it was really dif-

ficult to separate the domestic and international policies. While the Constitution of the United States pointedly separates them, the administration headed by Mr. Acheson tied them together through utilizing the very legislation which now proposes to extend for 1 year 1 part of the 3-part free-trade policy of the past administration.

REPUBLICAN PLATFORM

Mr. President, if there was one common plank in the platform of all Republicans running for office last year, it was the pledge to return to constitutional government and to stop government by bureau and by Executive order.

SUBSTITUTE—FOREIGN TRADE AUTHORITY

Mr. President, I call up at this time my amendment in the nature of a substitute for H. R. 5495, and ask that it be stated.

The PRESIDING OFFICER. The Chair rules that while a perfecting amendment is pending, it is not in order to propose an amendment in the nature of a substitute. An amendment in the nature of a substitute may be offered at any time when no other amendment is pending. A perfecting amendment subsequently offered would have precedence over a vote on a substitute. Therefore, the amendment in the nature of a substitute is not in order.

Mr. MALONE. I shall defer offering the amendment in the nature of a substitute. However, I shall read a portion of the proposed substitute and ask that it be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. The amendment in the nature of a substitute would act simply:

(a) to establish a sound fair trade basis for the exchange of goods with the foreign nations of the world.

(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress.

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a sound and prosperous national economy on our wage standard of living and employment in industry and agriculture.

CONTRARY TO 175 YEARS OF COMPETITIVE DEVELOPMENT

I point out to the Senate that putting such power into the hands of the President or the Secretary of State, and making the Executive an agent of Congress to reorganize the industrial map of the United States, is in entire contradiction of 175 years of development, on a competitive basis, of the diversified industries that make up the economic structure of the United States.

DETERMINE INDUSTRIES THAT ARE TO SURVIVE

The authority is now vested in the Department of State, through the procedure now in effect, to determine what industries will survive and what industries will be sacrificed on the altar of one economic world. In other words, the executive branch now has the power to rearrange the industrial map of the

United States which has been developed on a competitive basis for 175 years.

(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports.

We should not encourage imports of products produced by low cost labor in competition with goods produced by higher wage standard of living workers of the United States, but should permit the import of those products only which are produced by workers who enjoy a standard of living that is on a fair and reasonable competitive basis. In other words, there should be fair trade with foreign nations. The tariff or duty continually adjusted to represent that differential of cost would create the fair trade basis.

TAKE THE PROFIT OUT OF SWEATSHOP LABOR

There should be a quid pro quo: an hour's labor for an hour's labor.

When trading is done under those standards, it will be found that, when the difference in wages is paid into the United States Treasury as a duty, impost, excise tax, tariff, or import fee, as it is now commonly called, the profit will be taken out of sweatshop labor in the nations of Europe and Asia. Those countries will then be encouraged to raise the wages or pay of their workers, instead of paying the money into the United States Treasury.

FAIR TRADE

If the wages of workers of foreign nations were about the same as in this country, there would be no objection on the part of American workers to foreign products coming into the United States on what would then be a fair-trade basis.

When foreign wages go up, and the standard of living in the nations of the world improve, our flexible import fees would be adjusted downward; and when the foreign standard of living had reached approximately our standard of living, free trade would then be almost an automatic and immediate result.

(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions.

Duties or tariffs would go down, as the standard of living in the world went up.

(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

DEALING WITH NATIONS—NO CONCEPTION OF OUR LIVING STANDARD

Our standard of living is subject to international agreements made with nations that have no conception of our standard of living or of our kind of government, but they have one vote the same as this Nation. We are dealing with them on an even basis.

The peril point included in the proposed extension of the 1934 Trade Agreements Act determined, as I have pointed out, prior to the making of agreements, gives the foreign nation the opportunity to manipulate their currency and defeat the terms of any agreement.

AGREEMENTS TO FORMER TARIFFS

So-called trade agreements really are not trade agreements; they are agree-

ments to lower tariffs. The peril point at all times should of course be the tariff or duty.

But because of the changing economics of the two nations and their relationships, it makes it impossible for the State Department to deal with the situation. That situation can be dealt with by the proposed Foreign Trade Authority, the reorganized Tariff Commission, on a basis of fair and reasonable competition. The 1934 Trade Agreements Act provides no machinery for adjustment—it is a rigid agreement. Ten minutes after an agreement is made with a foreign nation, that country can change the value of its money, which is one of many methods followed for trade advantage—they can raise the value of its currency in terms of dollar and in effect, put the tariff on its currency, and the State Department has no recourse.

DEAN ACHESON-WILLARD THORPE

In connection with statements made by Mr. Dean Acheson, Secretary of State, and Mr. Willard L. Thorpe, Assistant Secretary of State, that it was almost impossible to separate the domestic economy from the foreign policy, I wish to read a statement made by Dean Acheson on January 24, 1929, when he appeared before a congressional committee. He said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single, unified, and rounded policy.

REMAKING THE INDUSTRIAL MAP OF THE UNITED STATES

In 1949 the State Department had then had control for 15 years of the remaking of the industrial map of the United States and had tied the domestic economy to the foreign policy to a point where it was almost impossible for anyone to determine between domestic economic policy and foreign policy.

THE THREE-PART FREE TRADE POLICY

On January 24, 1949, Mr. Willard L. Thorp, Assistant Secretary of State, was for the first time very definite in testifying before the House Ways and Means Committee in support of the 3-year extension of the 1934 Trade Agreements Act, when he said—and this is an important announcement by an Assistant Secretary of State, which clarifies the atmosphere and makes forever clear what the objective is—

(1) The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

(2) The trade-agreements program is an integral part of our overall program for world economic recovery.

(3) The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term mechanism. Each part of this program is important. Each contributes to an effective and consistent whole.

DOUBTS OF ULTIMATE OBJECTIVE SHOULD BE RESOLVED

If there is any doubt about where we are headed under this program, and whether the bill before the Senate today to extend for 1 year 1 part of the 3-part

program, according to Mr. Willard Thorp—if there is any doubt in any Senator's mind as to the objective, it should be resolved today.

I thought it would be resolved when I first quoted the Secretary of State and the Assistant Secretary of State, Willard L. Thorp, in the debate on the floor of this body in 1949, 4 years ago.

I read from what I said at that time on the floor of the Senate. After finishing the quotation which I have just repeated, I said:

So says the Assistant Secretary of State.

It will be seen from the statements of the administration spokesmen that there positively cannot be a bipartisan foreign policy without extending to national economic affairs, in which case there can be no disagreement on either national or international economic policy, or on the administration's hybrid economic programs, by any bipartisan advocate, which in the humble opinion of the junior Senator from Nevada, will complete the job of wrecking the economic system of the United States.

RESOLUTIONS—CALIFORNIA, IDAHO, NEVADA

To show the Senate what some of the States think about this great program we are slipping through this afternoon as a part of the adopted program of the Republican Party, I read a resolution from the Nevada State Legislature, under the heading "Nevada Legislature, Foreign-Trade Policies." I read from my statement on page 2019 of the CONGRESSIONAL RECORD of March 13, 1953:

NEVADA STATE RESOLUTIONS

I have just received a letter from Mr. Fred H. Settelmeier, the Nevada State senator from Douglas County, enclosing a copy of Senate Joint Resolution No. 15 of the Nevada Senate. The resolution reads as follows:

"Senate Joint Resolution 15

"Senate joint resolution memorializing Congress and the National Government to bar foreign products produced by underpaid foreign labor

"Whereas livestock prices are experiencing a severe period of readjustment; and

"Whereas the members of the livestock industry, employees and employers alike, are meeting their problems with customary independence and fortitude, firm in their devotion to the principles of our free enterprise system, but the task is being made dangerously difficult by the permitted admission of cheap foreign imports produced under economic conditions grossly at variance with the high standards of wages and living existing in the United States; and

"Whereas it is essential for the economic stability and continued prosperity of our Nation, upon which rests the fate of human freedom, that our agriculture industry be assured of its place in a free American market: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That they do urge the Congress and the executive officers of our National Government that immediate action be taken to insure that our world trade policies are conceived and administered within the historic principle that foreign products produced by underpaid foreign labor and under substandard economic conditions shall not be admitted to our country on terms which endanger living standards of the American people or threaten financial injury to a domestic industry; and be it further

"Resolved, That a copy of this resolution be forwarded to the President and the Secretaries of State, Commerce, and Agriculture

of the United States, and to our Representatives in Congress."

A further resolution was forwarded to me on March 9 by the Secretary of State, enrolled as Senate Joint Resolution 12. It was received in the Office of the Secretary of State on March 9, 1953. It reads as follows:

Senate Joint Resolution 12

Joint resolution memorializing the Congress of the United States to approve legislation designed to provide a stabilized market for the products of domestic mines

Whereas the base metal mining industry of the United States has suffered serious curtailment, and is threatened with further curtailment, through dumping of lead and zinc from low-wage foreign countries; and

Whereas the domestic lead and zinc miner has suffered from the effects of currency devaluation and the monopolistic practices of foreign governments in the purchase and sale of metals; and

Whereas Nevada, as well as many other sections of the United States, is in a large measure dependent upon the new wealth created by the mining and processing of these metals for the maintenance of its economy and for the purchasing of commodities needed by Nevada but not produced in Nevada; and

Whereas unemployment and loss of production caused by dumping from low-wage countries is depriving local, county, and State governments of much-needed tax income; and

Whereas the American taxpayer has been called upon to finance the expansion of foreign production of metals and minerals in competition with home production to the detriment of the development of reserves vitally needed in this country for national security; and

Whereas propaganda from Washington during recent years has endeavored, without foundation, to place this country in a have-not class, to the end that tariffs on basic commodities, including metals, should be abandoned: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Congress of the United States be, and it is hereby, memorialized to approve legislation for the stabilizing of the market for metals at prices consistent with the prevailing domestic economic level through the enactment of constructive legislation providing for a sliding scale stabilization import tax. This legislation will promote the development of our natural resources and protect our domestic economy in the interest of national security; be it further

Resolved, That duly certified copies of this resolution shall be forwarded to each member of the Nevada congressional delegation, to the President of the United States Senate and the Speaker of the House of Representatives.

NEVADA ADVISORY MINING BOARD

A resolution by the Advisory Mining Board of the State of Nevada, signed by the Governor, Charles H. Russell, the chairman of the Advisory Mining Board, Roy A. Hardy, and the Secretary of the Nevada Mining Association, Louis D. Cordon, reads as follows:

PROPOSED RESOLUTION BY THE ADVISORY MINING BOARD OF THE STATE OF NEVADA

Whereas the mining industry in Nevada has in the past, and is now suffering because of low prices on their minerals which has been brought about by the importation of minerals produced in foreign countries, who have low wage and standards of living; and

Whereas there is now an active campaign, sponsored by certain foreign countries and American citizen who consume these min-

erals, under the slogan "Trade, not Aid" to convince Congress that we should continue to give foreign aid in the form of free trade rather than direct, even though our mines close; and

Whereas the means of accomplishing this is through a continuation of so-called reciprocal trade agreements, which past experience has shown to be the cause of unemployment in the mining industry; and

Whereas the political party in power in Nevada has pledged itself to protect American labor and industry from unfair foreign competition by establishing the principle of flexible import fees: Now, therefore, be it

Resolved, That we are opposed to any extension of the Reciprocal Trade Agreements Act and ask that Congress again assume the responsibility of protecting the American workman and investor against unfair competition from abroad. We do favor the establishment in this country of a market for goods of foreign nations on the basis of fair and reasonable competition which will protect workers and investors against foreign low wages and low standards of living, and maintain a healthy domestic mining industry. Equalization of the difference between wages and standards of living here and abroad can best be accomplished by the adoption, by Congress, of the flexible import free principle; be it further

Resolved, That the above resolution is a recommendation to Gov. Charles H. Russell, of Nevada, and we ask that he forward a copy of this resolution to Senator GEORGE W. MALONE, Senator PATRICK MCCARRAN, and Congressman CLIFTON YOUNG.

CHARLES H. RUSSELL,
Governor.

ROY A. HARDY,

Chairman, Advisory Mining Board.

LOUIS D. CORDON,

Secretary, Nevada Mining Association.

Mr. President, the people of the United States are discovering that they are not on the reorganized industrial may of the State Department. The important small-business industries, including the cattle industry and the mining industry, are not on the reorganized industrial map of the United States of America, as visualized by the former Secretary of State, Dean Acheson and his assistant, Mr. Willard Thorp, and as continued under our present Secretary of State, Mr. Dulles. Mr. President, the workingmen and small-business organizations are beginning to wake up and realize that they simply are not on the remade industrial map.

CALIFORNIA STATE RESOLUTION

I have before me a note from the president of the Senate of the State of California, Senator Harold Powers, with which he encloses a joint resolution adopted by the Legislature of the State of California at the 1953 session, on March 18, 1953. The joint resolution reads:

Joint resolution concerning the restoration to Congress of the fixing of tariffs

Whereas it is essential to the protection of the American standard of living and the American way of life that products of foreign countries be admitted to this country only on a basis which will not endanger the living standards of the American workman and the American farmer and will not threaten serious economic injury to any domestic industry; and

Whereas promotion of world trade by the Government of the United States should adhere to this principle so that the economic status of the American people may be maintained and not reduced to that in the de-

pressed areas of the world where work is performed behind the sweatshops curtain; and

Whereas while recent imports of live cattle and frozen and canned beef from Mexico, Canada, New Zealand, and other areas have dramatically highlighted the problem with respect to one industry, yet it is a problem affecting all of the branches of agriculture, industry, and commercial production; and

Whereas the Congress of the United States abandoned its traditional function of fixing tariffs on foreign commerce entering the United States under the Trade Agreements Act of 1934 to the executive department of the Government, which has carried out policies inconsistent with the welfare of American agriculture, industry, and commerce: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California most respectfully memorializes the Congress of the United States to return to its traditional method of fixing tariffs based on principles of protection of American agriculture, industry, and commerce, and the standard of living for all American citizens created thereby; and be it further

Resolved, That until Congress so acts, the executive department of the Government exercises its powers to fixing tariffs only in accordance with the traditional principles of American policy as set forth in this resolution; and be it further

Resolved, That the secretary of the senate send copies of this resolution to the President of the United States, the Secretary of State, the Secretary of Commerce, the Secretary of Agriculture, the Chairman of the United States Tariff Commission, the President of the United States Senate, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States.

IDAHO STATE RESOLUTION

Mr. President, I have before me a letter dated March 5, 1953, from Ira H. Masters, secretary of state of the State of Idaho. It is addressed to the junior Senator from Nevada, and reads:

STATE OF IDAHO,
SECRETARY OF STATE,
Boise, March 5, 1953.

HON. GEORGE W. MALONE,
Chairman, Senate Mines Committee,
Washington, D. C.

DEAR SIR: I have the honor to transmit herewith copy of Senate Joint Memorial 7 as passed by the 32d session of the Legislature of the State of Idaho.

Respectfully,

IRA H. MASTERS,
Secretary of State.

Mr. President, the resolution deals with the same subjects which the joint resolutions adopted by the States of California and Nevada dealt, namely, the ruinous free-trade policy adopted by the State Department under the 1934 Trade Agreements Act.

I ask unanimous consent to have the resolution printed in the RECORD at this point, as a part of my remarks.

There being no objection, the joint memorial was ordered to be printed in the RECORD, as follows:

Senate Joint Memorial 7

To the Honorable DWIGHT D. EISENHOWER, President of the United States; the Honorable CHARLES E. WILSON, Secretary of Defense; the Honorable DOUGLAS MCKAY, Secretary of the Interior; HOWARD I. YOUNG, Deputy Administrator, Defense Materials; J. D. SMALL, Chairman, Munitions Board:

We, your memorialists, the Senate and House of Representatives of the State of

Idaho, in legislative session, duly and regularly assembled, most respectfully present the following preamble and resolution, to wit:

"Whereas the base mining industry of the United States has suffered serious curtailment, and is threatened with further curtailment, through dumping of lead and zinc from low-wage foreign countries creating an unemployment situation for a large number of the American metal miners; and

"Whereas the domestic lead and zinc miner has suffered from the effects of currency devaluation and the monopolistic practices of foreign governments in the purchase and sale of metals; and

"Whereas Idaho as well as many other sections of the United States, is in a large measure dependent upon the new wealth created by the mining and processing of these metals for the maintenance of its economy and for the purchasing of commodities needed by Idaho but not produced in Idaho; and

"Whereas unemployment and loss of production caused by dumping from low-wage countries is depriving local, county, and State governments of much needed tax income; and

"Whereas the American taxpayer has been called upon to finance the expansion of foreign production of metals and minerals in competition with home production to the detriment of the development of reserves vitally needed in this country for national security; and

"Whereas propaganda from Washington during recent years has endeavored, without foundation, to place this country in a havenot class, to the end that tariffs on basic commodities, including metals, should be abandoned: Now, therefore, be it jointly

"Resolved by the Senate and the House of Representatives of the 32d session of the Legislature of the State of Idaho (the Governor of the State of Idaho concurring therein), That the Congress of the United States be and is hereby memorialized to approve legislation for the stabilizing of the market for metals at prices consistent with the prevailing domestic economic level through the enactment of constructive legislation providing for a sliding scale stabilization import tax. This legislation will promote the development of our natural resources and protect our domestic economy in the interest of national security; be it further

"Resolved, That the secretary of state of the State of Idaho, be, and he hereby is, authorized and directed to send copies of this joint memorial to the Honorable Dwight D. Eisenhower, President of the United States; Secretary of Defense Charles E. Wilson; Douglas McKay, Secretary of the Interior; Howard I. Young, Deputy Administrator, Defense Materials Procurement Agency; J. D. Small, Chairman, Munitions Board; Hon. Henry C. Dworshak, United States Senate; Hon. Herman Weiker, United States Senate; Hon. Hamer H. Budge and Hon. Gracie Pfost, United States House of Representatives; Hon. Richard M. Nixon, Vice President of the United States; Hon. Joseph W. Martin, Jr., Speaker of the House; Hon. George W. Malone, chairman, Senate Mines Committee, and Hon. A. L. Miller, chairman of House Internal and Insular Affairs Committee."

This Senate joint memorial passed the Senate on the 21st day of February 1953.

EDSON H. DEAL,
President of the Senate.

This Senate joint memorial passed the House of Representatives on the 27th day of February, 1953.

R. H. YOUNG JR.,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 7 originated in the Senate during the 32d session of the Legislature of the State of Idaho.

BRITT NEDRY,
Secretary of the Senate.

RESOLUTION—ALLIED WOOL INDUSTRY GROUPS

Mr. MALONE. Mr. President, I have before me the action taken by the Allied Wool Industry Groups at the Emergency Wool Conference, Denver, Colo., on February 2 and 3, 1953. The resolution deals with the subject of wool and the sheep business generally in the same manner as the joint resolutions of the 3 States which I mentioned. I ask unanimous consent to insert in the RECORD at this point as a part of my remarks the resolution by the Allied Wool Industry Groups adopted at their Emergency Wool Conference, held in Denver, Colo., February 2 and 3, 1953.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ACTIONS TAKEN BY ALLIED WOOL INDUSTRY GROUPS AT EMERGENCY WOOL CONFERENCE, DENVER, COLO., FEBRUARY 2 AND 3, 1953

1. Formed an Allied Wool Industry Committee to carry out program adopted, set up method of operation, and retained Robert Franklin as public relations counsel to manage the action program under direction of the committee.

2. That at this time we renew our efforts to bring to the attention of the Secretary of the Treasury section 303 of the Tariff Act of 1930 and urge he ask the imposition of additional duties on dutiable wool imported into the United States from countries which have subsidized raw, semimanufactured and manufactured wool and wool products for export to the United States; this subsidization to include manipulation of currency exchange.

3. We recommend that section 336 of the Tariff Act of 1930 be reactivated. It is now prohibited by Trade Agreements Act of 1934 as amended (sec. 2, Public Law 316, 73d Cong.). We recognize that this would take legislative action.

4. We, the members of the allied wool groups, are opposed to the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., extending authority of the President under sec. 350 of Tariff Act of 1930 amended); however, if agreements are entered into, the escape clause, section 6 of the same law shall be mandatory for negotiating new agreements and (2) make the peril point provision mandatory for negotiating new agreements.

5. We, the allied wool groups, demand that the Secretary of the Treasury immediately impose additional duties on foreign subsidized wool as provided under the Antidumping Act of 1921, which reads: "That whenever the Secretary of Treasury * * * finds that an industry in the United States is being or is likely to be injured * * * by reason of the importation * * * of foreign merchandise * * * being sold * * * at less than its fair value, then he shall make such findings public to the extent he deems necessary. Where the Secretary has made a public finding * * * there shall be levied, collected and paid, in addition to the duties imposed thereon by law, a special dumping duty in an amount equal to such difference" and ask simultaneously for the Congress to investigate why the collector has not complied with the provisions of the Antidumping Act to hold up the importation of such subsidized wool.

6. We recommend that favorable action be taken by the President of the United States under section 22 of the Agricultural Adjustment Act as amended (U. S. C. title 7, sec. 624), which reads: "Whenever the Secretary of Agriculture has reason to believe that any article * * * is being imported * * * under such conditions and in such quantities as to render or tend to render ineffective or interfere with any program [support program] * * * he shall advise the President" relative to the Department of Agriculture and producer segments which

was presented before the Tariff Commission on September 30, 1952, in support of additional duties on wool to protect the Government wool support program.

7. Establishment of a general legislative policy to modernize and establish all necessary tariff laws and regulations to provide adequate protection for domestic wool production.

8. Oppose any extension of the Trade Agreements Act (propagandized as the "Reciprocal Trade Agreements Act") or any other measure which would give to the executive branch the right to enter into foreign-trade agreements without the advice and consent of the Senate, as provided in article 2, section 2 of the Constitution.

9. To seek the amendment of section 22 of the Agricultural Adjustment Act to make its provisions mandatory and transfer to the Department of Agriculture the duties now imposed upon the Tariff Commission under this section.

10. Seek the inclusion of the Berry amendment, as provided in the Defense Appropriations Act expiring June 30, 1953, as a part of the basic Buy-American Act.

11. To press for adoption of a royalty payment tariff to provide funds for the promotion and support of the United States sheep industry.

12. Enact legislation to impose a parity tariff on all foreign wool imports, whenever domestic wool prices are being supported by any Government program.

13. Request that the Congress, by resolution, establish the general policy that a strong domestic sheep industry is essential to the well-being of the United States and therein to request the cooperation and consideration of this position in all administrative acts involving the industry.

14. Endorsed O. R. Strackbein and Bertrand Gearhart for appointment to the United States Tariff Commission.

15. Accepted in principle the organization of a United States Wool Stabilization Corporation with the discussion and findings of this group to be submitted to the Department for their guidance and with each segment to have the opportunity after the articles of incorporation are drawn up to make constructive suggestions for additions or changes and that a copy of this resolution be put in the hands of the Secretary of Agriculture through this organization.

(This proposal embodies the idea of industry operation of support programs rather than through Government agencies insofar as laws will permit.)

16. Requested information of a committee with C. J. Fawcett of the National Wool Marketing corporation as chairman for the purpose of working out the problems created by the entry duty-free of carpet wool.

17. Adopted a policy on foreign trade stating: "The promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer or threaten serious injury to a domestic industry."

18. Adopted as policy and sent the following telegram to Secretary of Agriculture Ezra Benson:

"At a meeting of allied wool interests called to assemble by the National Wool Growers Association in Denver today it was unanimously voted to request that the Commodity Credit extend the maturity date of all loans made under the 1952 wool support program to September 1, 1953, at the grower's option and that the grower retain the privilege of redeeming his wool by paying the loan plus accumulated charges. The reason we are asking for this extension is to provide a more orderly marketing for the remaining 1952 wool clip. We feel that the present demoralized condition of the wool

market is due largely because our domestic markets for wool are now being flooded by foreign importations which are subsidized by exporting countries through the manipulation of currency exchange which in effect nullifies tariff protection provided by law which we are hopeful will be corrected by your administration.

"RAY W. WILLOUGHBY,
President, National Wool Growers Association."

19. Obtain ruling from Armed Services Technical and Procurement Division that mere scouring of the United States of wool of foreign origin does not entitle it to protection of Berry amendment.

20. Authorized the raising of funds to carry out the program of the allied wool committee with immediate subscribing to the fund, without solicitation, of \$1,000 by Leland Ray and M. A. Smith and \$500 by Ray Willoughby. The industry is being asked to contribute. Make all checks payable to Allied Wool Committee and mail to 414 Pacific National Life Building, Salt Lake City, Utah.

RESOLUTION—NATIONAL WOOL GROWERS ASSOCIATION

Mr. MALONE. Mr. President, I have before me a pamphlet which includes a resolution adopted by the National Wool Growers Association at its 88th annual convention, held in Chicago, Ill., December 9 and 10, 1953. The resolution reads:

We respectfully urge that Congress repeal the existing reciprocal trade agreements and hereafter reserve to itself the procedure of ratification contemplated by article 6 of the Constitution of the United States.

RESOLUTION—DAUGHTERS OF AMERICAN REVOLUTION

Mr. President, I have before me a resolution adopted by the 62d Continental Congress, National Society, Daughters of the American Revolution, April 20-24, 1953, held in the city of Washington, D. C. I read briefly from the resolution under the heading "Foreign Trade":

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry;

Resolved, That the National Society, Daughters of the American Revolution, urge the United States Congress to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imposts, and excises through its agent the Tariff Commission and allow the 1934 Trade Agreement Act, the so-called Reciprocal Trade Act which transferred such responsibility to the President, to expire in June of this year.

INDUSTRIES—SMALL BUSINESS—NOT ON REMADE INDUSTRIAL MAP

Mr. President, this has reference to the very Trade Agreements Act we are discussing today, which House bill 5495 proposes to extend for another year.

I would say the States of California, Idaho, and Nevada and the national growers and the DAR have looked over the new industrial map contemplated by the Secretary of State under the 1934 Trade Agreements Act, as extended; and those States and organizations have decided that the principal industries in which they are interested do

not appear on the reconstructed map, and they do not like it—as evidenced by the resolutions adopted by their legislatures, representing every precinct in those States.

RESOLUTION—AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. President, I have before me a memorial to the Congress and to the Secretary of Agriculture, adopted by the executive committee of the American National Cattlemen's Association at a special meeting held in Denver, Colo., on April 28-29, 1953. I read from the memorial:

4. TARIFFS

Whereas in 1934 Congress authorized 50-percent reductions in the tariff rates existing under the Tariff Act of 1930, and again in 1945 authorized a further reduction of 50 percent from rates then in effect; and

Whereas the freetraders are again demanding either that all tariffs be eliminated or that further sharp reductions be made in the low-tariff rates remaining as a result of the two 50-percent reductions referred to above; therefore, we reiterate our opposition to any further wholesale cuts, and insist that action be taken through the escape clause of the Reciprocal Trade Act or otherwise to provide more adequate tariff protection for American industry, labor, and agriculture.

TOYNBEE'S NEXT STEP IN HISTORY

Mr. President, apparently the American National Cattlemen's Association have also reviewed the new industrial map that the administration is continuing to compile, following 20 years of prior administrations' manipulations and decisions as to what industries shall survive and what industries shall be sacrificed, under that great theory that all countries will live alike, that the standards of living of all the nations of the world will be averaged, and that there will be a one-world government, as Mr. Toynbee so ably outlined, as set forth in an article appearing in the November 17 issue of Look magazine.

"TRADE, NOT AID"

Mr. Toynbee's article appeared in the midst of the great propaganda program which was carried on in an effort to sell to the American people the idea of "trade, not aid."

Mr. President, the "trade, not aid" slogan was invented by the British Chancellor of the Exchequer, Mr. Butler, who now is taking Mr. Churchill's place in international negotiations.

Certainly it is clear and apparently it is clear to the 3 States and the organizations, according to the resolutions which I have mentioned; it is clear to the American National Cattlemen's Association and to the National Wool Growers' Association and to the miners of the United States and to the DAR that the principal industries in which they are interested do not appear on the new industrial map that the Secretaries of State, over a period of 20 years, have laboriously been making, under the "power of attorney" granted them by the Congress of the United States.

The State Department has been made an agent of Congress and has in effect a "power of attorney" from Congress—and the Congress has no redress—yet we are here today about to extend for

1 year the power of life and death of the workingman and the small-business of our nation.

Mr. President, I now read the fifth paragraph of the memorial addressed to the Congress and to the Secretary of Agriculture by the executive committee of the American National Cattlemen's Association at a special meeting at Denver, Colo., on April 28-29, 1953:

5. BUY AMERICAN

The appropriation for the armed services has for several years carried a "Buy-American" provision, which has resulted in large purchases of beef for the Armed Forces; and Whereas the freetraders are now attacking this provision;

Therefore we urge the continuation of the program in order to continue this outlet for beef.

CONTRACT TO INSTALL ELECTRICAL EQUIPMENT

Mr. President, a little while ago we had an interesting experience in connection with the letting of a contract by the Army. Bids were being taken for electrical-generating equipment. The Army turned down the first bids, including one which had been made by an English firm. Of course, in England the average wage of workers in the electrical industry is 37 cents an hour, whereas in the United States the average wage of workers in our electrical industry is \$1.84.

As I said, the Army rejected the first bids, including one by an English company. The Army did not award the bid to an American company, but rejected all the first bids, and asked for new ones.

WAGE—STANDARD OF LIVING—HERE AND ABROAD

As I just stated, Mr. President, the average wage of workers in the electrical industry in the United States is \$1.84 an hour, while the English wage for similar work is 37 cents per hour. A large percentage of electrical equipment is hand finished.

It is to be noted that the difference, percentagewise, between the low bid by the English company to which I have just referred and the lowest bid by a United States company did not amount to the difference between the average wage of electrical workers in England and the average wage of electrical workers in the United States.

The actual difference between the bids was approximately \$600,000, in the case of a total bid of \$10 million or \$11 million. There was a difference of approximately 15 percent between the English company's bid and the United States company's bid.

PROPAGANDA INFLUENCED THE DEPARTMENT OF DEFENSE

However, the Army rejected all those bids and called for new ones. When the new bids were submitted, there had been so much propaganda from international sources and from our internationally minded friends that the Army felt obliged to award the contract to the English bidder. Of course, the performance of the contract involves a very great number of hours of labor, so the awarding of the contract to the English firm represented a direct attack upon workers of the United States and the investors and small businesses of this Nation.

Of course, United States small businesses are not in a position to establish branch plants in foreign countries, and thus be able to advocate or to profit from free trade.

NATIONAL DEFENSE IMPAIRED

However, that is not the most serious aspect of that case. The most serious aspect is that after one of those English-built generators begins to generate electric power, to be used by the United States for national-defense purposes, in time of emergency—and, incidentally, Mr. President, in this connection I point out that for years we have gone from one emergency to another, with no sign of getting out of them, but in a real emergency, when the chips are down, if anything happened to any one of those generators, how would we be able to obtain repair parts?

Could they be obtained from England at such a time? Obviously they could not be, for during a period of submarine warfare, a cargo ship would have no chance of reaching the United States from England.

However, as a result of permitting the English firm to install English-made generators at an important site in the United States, in connection with the development of electrical energy, we have placed ourselves in the position of being dependent upon overseas areas for the products without which we cannot fight or maintain our national economy. If that process is continued, we shall soon be dependent upon the entire world and cannot survive economically or defend ourselves.

Mr. CARLSON. Mr. President, will the Senator from Nevada yield at this point?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Nevada yield to the Senator from Kansas?

Mr. MALONE. I am very happy to yield.

Mr. CARLSON. Mr. President, I am very glad the distinguished Senator from Nevada has discussed the contracts for the transformers to be installed at Chief Joseph Dam. I myself am somewhat familiar with that matter.

I am wholeheartedly in accord with the views of the Senator from Nevada regarding the letting of that contract. It is true that the British bid was somewhat lower than the American bid, and it is also true that after the first bids were rejected and after new bids were called for, the bid of the British firm was still the lowest. However, I wish to say that, even though there is a feeling on the part of some persons that the United States is not doing all it could do to assist foreign countries in connection with international trade problems, yet we must remember that there is a great difference between the wages paid in the United States, and the wages paid in other countries, including Britain.

Mr. President, the point I wish to stress is that the United States has just signed an International Wheat Agreement with 45 other nations, but Great Britain has refused to sign the agreement because of a difference of 5 cents

a bushel between the United States price and the United Kingdom price. It seems to me that if the British want to have the cooperation of the United States, the British must remember that cooperation must be a two-way street.

I am very glad the distinguished Senator from Nevada has mentioned the generator item.

NEVER A TWO-WAY STREET

Mr. MALONE. Mr. President, I appreciate the comment the distinguished Senator from Kansas has made. Certainly this matter is vital. The program under the Reciprocal Trade Agreement Act has never amounted to a two-way street, and up to date the State Department has shown no indication of wanting to make it a two-way street.

The process which has been followed in connection with this program amounts to leveling or averaging the living standards of the various nations of the world. When such a program is carried out, of course the United States is the first Nation to suffer, because the standard of living in the United States is the highest in the world.

AMERICAN WORKERS' JOBS—NO NATION EVER KEPT THE SPIRIT OF A TRADE AGREEMENT

Mr. President, I can say without fear of successful contradiction—that no foreign government has ever kept a trade agreement with the United States. So why should we proceed with this idiotic method of extending an act which, up to date, has almost ruined many of our industries?

If I were to read all the briefs submitted by injured industries, particularly small industries and small business—and they represent only perhaps a small faction of the industries affected in the United States—Congress would not adjourn this week.

I have no intention of reading the briefs, but I do intend to read from a few of them for the RECORD; and I also intend to read a few resolutions, merely a few of the resolutions that I have received from industries and areas, that are really suffering.

ESCAPE CLAUSE A FAKE

I should like to say to the distinguished Senator from Kansas that so far as the escape clause is concerned, it is a fake that has been foisted on the American people.

Only 3 applications for relief out of the 50 filed, were granted under the escape clause; and the relief granted was less than needed.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, while we are still discussing the matter of transformers at Chief St. Joseph's Dam, I think it should be made clear that, had the British transformers been imported into the United States, the tariff or duty on them would have been 15 percent; but, if the situation had been reversed, and we had sold transformers to Great Britain, the British duty would have been 20 percent. That is the duty we would have paid on products of our own

manufacture. Yet we hear a great deal about free trade, and of how anxious Great Britain is to cooperate.

EUROPEAN NATIONS HAVE NEVER LIVED UP TO AGREEMENTS

Mr. MALONE. Mr. President, the distinguished Senator from Kansas has put his finger on the sort spot. At the moment, the European nations will not even trade with each other.

They not only have tariffs, but within an area only half as large as the United States, with approximately twice as many people, they also have quotas, specifications, and manipulations of currency for trade advantage between and among themselves.

OVERPOPULATION REAL TROUBLE

Their real problem is overpopulation. There is nothing we in the United States can do in the way of devoting our wealth to the support of other nations that will bring their standard of living up to ours. That must be apparent to anyone who will study the situation.

Great Britain has no intention of making it a two-way street.

MANIPULATIONS OF CURRENCY FOR TRADE ADVANTAGES

As the junior Senator from Nevada has previously stated, when our State Department makes a trade agreement, the other country immediately creates one or more additional prices for its currency. As a matter of fact Great Britain, in the sterling bloc, had as high as 28 different values for the pound at one time, and all of them were superficial.

They are in no way unique—practically all foreign nations do the same thing.

DEVALUATE CURRENCY—RECOGNIZE COMMUNIST CHINA

At the time—I believe it was in 1949, when representatives of Canada, Great Britain, and the United States were meeting here—the junior Senator from Nevada stated on the floor of the Senate that when those representatives went home following the conference, they intended to devalue their currency and to recognize Communist China.

All the foreign-minded free-trade papers on the eastern coast howled to high heaven that such a statement should be made. But, the minute those representatives arrived in their respective countries—and we had already agreed to follow them in the recognition of Communist China, an agreement we have never repudiated—as a matter of fact, they did devalue their currencies and immediately to that extent upset all the existing trade agreements.

NO REMEDY UNDER 1934 TRADE AGREEMENTS ACT

We have no way of combating such action; we have no remedy; we have nothing. We had nothing to do in determining the official price of \$4.03 for the British pound or with cutting its price to \$2.80. Both those prices were fixed by the British.

There were at that time about 28 different values of the currency in the sterling-bloc countries.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from Oregon.

Mr. MORSE. I have to attend a conference, and I cannot be present on the floor to hear the remainder of the speech of the Senator from Nevada. I do not know when he began. I am simply asking for information. I heard the Senator say something about the fact that he was not going to present certain material, because of the time it would take for him to present it. I trust he will make a complete record and will not desist from whatever discussion he thinks appropriate, at whatever length he believes necessary, merely because some Senators want to get away for the 4th of July. I do not know why this bill cannot be voted on Monday, as well as on Friday. I wanted the Senator to know that. I hope he will speak at whatever length of time he may think necessary. In my absence, when a request is made to fix a time for the vote, I wish the Senator from Nevada would extend to me the courtesy of objecting in my behalf.

SENATE AND HOUSE MEMBERS BYPASSED IN RUSH

Mr. MALONE. I certainly appreciate the remarks of the distinguished Senator from Oregon, and I think he is exactly correct. Such measures as this are being rushed through in the 83d Congress, and I am sure that not all the Members of the House and Senate can spend the time necessary in order to become entirely familiar with the effects of the bill we are asked to pass.

PEOPLE WOULD MOVE ON CONGRESS

From what I know of the people of Nevada, Oregon, Idaho, Illinois, and perhaps two-thirds of the States of the Union, if they were really to understand the probable effect of the pending bill, they would move on the Senate. They would not even wait to have us come home in order to reach us.

AMERICAN COMPANY—WESTINGHOUSE VERSUS ENGLAND

Mr. President, I have a clipping from the Washington Evening Star of June 17, by the Associated Press, pointing out that—

A British firm has won part of the controversial contract for power equipment at Chief Joseph Dam in Oregon.

It goes on to say that a number of British officials voiced a word of complaint. This was when the generators were first turned out. I read:

A number of British officials put in a word of complaint, taking the view that the affair was a "buy American" move. They contended that rejection of the bids from overseas was a bad omen of the trade policy of the administration.

RECOGNIZED COMMUNIST CHINA—TRADING WITH ENEMY

Mr. President, the same British Government has recognized Communist China; and Great Britain and most of the Commonwealth countries have traded with the enemy continually.

I may say that the junior Senator from Nevada, 2 years ago, placed in the RECORD 96 trade treaties, at which time he enumerated many of the particular items which under the 96 trade treaties

they had with Russia and with the Iron Curtain countries were being sent by the Marshall plan countries to Russia and her satellites. The items included almost everything that would be needed in order to fight world war III against us.

TRADE WITH ENEMY COUNTRIES

That trade was continued by them even after Mr. Truman brought about the famous—or infamous—police action in Korea and still continues.

They have continued to send to Communist China tin, rubber, and everything else they needed, and have continued to send material to Russia and to the Iron Curtain countries, whence it found its way into Communist China and into Korea.

SENT MATERIAL TO KILL OUR BOYS

Under the present act, as I have stated several times previously, from 50 to 75 percent of the materials used to kill American boys in Korea was furnished by our so-called allies.

In view of that fact, and in view of the fact that the distinguished Senator from Kansas has said that if we were to send electrical equipment to Great Britain, we would pay a 20 percent duty, whereas, as a matter of fact, our production costs us much more because of our higher labor costs and labor is the chief ingredient in the manufacture of electrical equipment—we could not compete in any case; they would not allow us to do so. Yet they said the rejection of the British bid was a bad omen of the trade policy of the administration. Thank God, there was one person at that time in the national Defense Department who had the guts to reject it; but later the pressure could not be withstood and a good part of the contract was awarded to England in the face of the obvious fact that no repairs could be secured for such machinery in the event of a real emergency.

Mr. President, while the British officials were voicing a complaint over the rejection of the first bid on the Chief Joseph Dam generators and transformers the American workers were having something to say about acceptance of the foreign bids.

The Journal of Commerce of New York on Wednesday, June 17, 1953 carried an article with a Pittsburgh dateline from the Associated Press. The headline of the article is "Foreign Bidders Called Job Threat." The subhead is "Westinghouse Reports Millions Lost to Firm by Federal Awards."

The article reads in part:

A Westinghouse Electric Corp. official told 8,000 employees at a mass meeting today that awarding of Government contracts to foreign firms is endangering the jobs of American workers.

John K. Hodnette, vice president in charge of the company's industrial products division, said foreign competitors often are able to underbid United States firms because of cheap labor.

Speaking at the unveiling of a giant new manufacturing building at Westinghouse's East Pittsburgh plant, Mr. Hodnette said the plant alone since January 1, 1952, has lost more than \$7 million worth of business and about 1 million man-hours of work by factory employees on Government contracts

given the foreign companies. On this business, he declared, "the United States Government has lost more than \$1.8 million in taxes."

NATIONAL DEFENSE ENDANGERED

Mr. President, while the attack on American labor and American business is a very serious thing to our wage standard of living, it could be much more serious in a time of emergency to be depending upon obtaining repairs for English electrical equipment and supplies and to transport them 3,000 miles across the ocean. It could result in a shutdown and a loss to a particular plant in the United States, with whatever consequences might accrue because of lack of power in a particular defense area.

RESOLUTION—NATIONAL WOOL GROWERS ASSOCIATION

Mr. President, under the heading "Reciprocal Trade, Statement No. 12," the National Wool Growers Association, in their 87th convention, December 4 to 7, 1951, held in Portland, Oreg., had this to say:

The power of making reciprocal trade agreements is inherently vested in the Congress. We demand that Congress regain its power and authority and that no such treaties be made except by action of our National Congress. In our opinion, the most-favored-nation clause should be eliminated.

THE MOST-FAVORED-NATION CLAUSE

Everyone knows, I suppose, what that clause is. When a treaty is made between this Nation and any other nation, under the 1934 Trade Agreements Act, every nation in the world is given the same privilege and an advantage over us but not over the other nation a party to the agreement, without giving or agreeing to anything in return.

RESOLUTION—TEXAS SHEEP AND GOAT RAISERS ASSOCIATION

Mr. President, I have before me a resolution adopted by the annual convention of the Texas Sheep and Goat Raisers Association, November 10-12, 1952, which reads as follows:

The stand of the American wool grower on a protective tariff is traditional and should now be well known to everyone. However, in order that no one will get the impression that our views have changed, we hereby reaffirm our age-old position of solid support for a protective tariff on wool and all livestock products and manufactures thereof. We call attention of the Congress to the fact that our present tariff rates are made ineffective by the policy of certain foreign governments in subsidizing their wool exports and manufacturers through manipulation of foreign-exchange rates which permit the wool tops to come into this country duty-paid at a price below that which domestic manufacturers can meet. There is a law that provides for countervailing duties in such cases.

The present administration has failed to take advantage of this provision. We urge Congress to correct this situation.

We further call attention to what, in our opinion, is an unwise policy of this Government—which is to allow any foreign product to enter this country at a price below our domestic parity price on that product.

It is a waste of Federal funds to support the price of a product and then allow foreign imports to enter at a figure that impairs the support price.

This can be prevented by establishing a parity tariff amounting to the difference between the foreign price and parity. We urge

Congress to establish such a party without disturbing the present tariff schedules.

We feel more keenly than ever that the Reciprocal Trade Agreements Act is a vicious law. It is legislation by treaty and replaces the industry in its primary purpose to promote peace and good will for the United States among the other nations of the world.

It leaves domestic products at the mercy of governmental theorists who are beyond the reach of voting citizens of this country—people who usually know nothing of the practical side of the industry. We ask Congress to permit the act to expire.

AT THE MERCY OF A BUREAU OFFICIAL

Mr. President, the Secretary of the Treasury did finally invoke the counter-vailing duties section.

I might say that while the President of the United States wrote a letter directing the Tariff Commission to drop all investigations instituted on the application of the wool industry for relief under the escape clause from the duties set by the State Department, there has been so much commotion over the country that he has now said he will direct the Tariff Commission to again take up the matter.

Mr. President, I desire to point out that that is another thing pointing up the danger of the pending legislation.

Congress abdicated its constitutional responsibility when it transferred the authority to the Secretary of State giving the Secretary the power of attorney so that he can put his magic finger on an industry and say that it shall be destroyed, or that it shall be saved—with Congress standing helplessly by.

He does not put it in those words, but the effect is the same—he can say, destroy this industry, preserve that industry—the effect is the same—he can say, destroy. Take 10 percent of one industry and give it to a foreign nation, and take 20 percent of another industry and give it to another foreign nation.

OUR ECONOMIC STRUCTURE—A PUNY BUREAU

Mr. President, I was thinking a few days ago about what I could possibly say regarding the Trade Agreements Act that I had not said many times before on the floor of the Senate, and how I could describe the attempt of a puny bureau official to regulate all the factors that mesh into our economic structure and make it what it is.

Mr. President, thousands upon thousands of economic factors are involved. They include the actions of citizens in various sections of the country, labor groups, the amount of wages paid; industrial groups controlling thousands of highly diversified industries; the agricultural group, with its myriad of economic factors; and many more, all of which mesh into the entire economy, if principles are adhered to and allowed to operate.

We have developed in the past 20 years a strange breed of persons who come out of colleges and other places; indeed, we hardly know where they come from.

They know little about this complicated economic structure and are not familiar with the problems connected with it.

HAVE ALL OF THE ANSWERS, BUT DO NOT KNOW PROBLEMS

I recall that in 1946, when I first ran for office, the only office I ever ran for

in the State of Nevada, I told my people, "I do not know all of the answers to these problems, but I do know the problems; at least, I know enough about them to study them and to listen to the evidence and to arrive at an approach to the answer."

I further said that the trouble in this country is not caused by men who know the problems and are willing to study them and to effect an approach to the necessary remedy.

The trouble is caused by persons who come up with all the answers when they do not even know the problems.

That is the best way in which I can describe this strange race of people that developed over the past 20 years who think they can handle all the hundreds and thousands of economic factors that enter into the economic structure of this country.

They remind me of someone who says, "Nature is not very well-qualified to take care of the growth of the trees, of grass, of insects, and so forth. Turn it over to us."

"We will determine, in our infinite wisdom, how fast the leaves should grow; what kind of insects should survive and what kind should be destroyed."

"We will determine exactly how often it should rain and what effect it will have; what areas shall be put into cultivation, and what crops shall be raised."

It would be just as reasonable to have some bureau official in charge of all nature, so that he can sit, wearing his great know-all cap, and direct the infinite number of things that go to make up the growth and development of the whole countryside.

That is just as reasonable as to think he can sit there and handle every economic factor that goes to make up the hundreds and thousands of factors that make up our great and complicated economic structure. It simply cannot be done. No human being has the mind that can even approach it.

WE CREATE OUR OWN PROBLEMS

So we cure one thing we can see and create a hundred other problems. Then we pass another bill, and try to fix the problems we create.

THREE CORN AND WHEAT CROPS—HUNGRY CATTLE

We now have a third unused corn crop and third unused wheat crop coming up, and we will appropriate money to build additional bins for those crops.

We will have corn bins and wheat bins scattered all the way from the middle of Kansas east to the Atlantic Coast, and hungry cattle and sheep spread out over the ranges all the way from the middle of Kansas west to the Pacific Coast, and the trick is to get the cattle and sheep to the corn and wheat—after 20 years of supervision by the boys who are so smart that they never even learned about the real problem.

HOW TO FEED \$3 CORN TO \$20 CATTLE

What we need is a recipe from the smart boys now, as to how to feed \$3 corn to \$20 cattle. If we would let the water settle a while it might be possible that the sensible folks could work out the problem. If Congress would lay down the principle, but we have not yet adopted a principle of procedure, the people

at home might know what to do to help themselves.

Mr. President, I ask unanimous consent to have printed at this point in the Record resolutions unanimously adopted by the Texas Sheep and Goat Raisers' Association in annual convention at San Antonio, Tex., November 28 to 30, 1949.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE TEXAS SHEEP AND GOAT RAISERS' ASSOCIATION IN ANNUAL CONVENTION IN SAN ANTONIO, TEX., NOVEMBER 28-30, 1949

1. We reiterate our previous stand in favor of retention of clear channel broadcasting stations and higher power on clear channels for adequate service to rural areas; and we furthermore request that the State Department be instructed by the proper authority to maintain a firm position to protect the rights, radlowise, of the United States against further inroads by other North American countries.

2. In our opinion the Reciprocal Trade Agreement Act is the most overrated piece of legislation ever passed by the National Congress. The purpose of the act was to promote trade with foreign nations which in turn was supposed to promote peace throughout the world. This act has been in effect now since 1934 and in spite of it, we have had the worst war the world has ever known and conditions at present are certainly far from being peaceful.

In spite of the fact that our tariff duties have been reduced on most lines by 50 percent, the relation between imports and exports remains about the same as before the law was passed. For many years we have exported roughly about twice as much as we import. Anyone familiar with the tariff knew that it could not have been otherwise, for under the Smoot-Hawley tariff law, 67 percent of all our imports came in free of duty and on those that were dutiable, undervaluation abroad reduced the tariff to be paid by a considerable amount.

Our exports now are very large on a dollar basis because of inflation of domestic values. We are exporting about \$12 billion worth of goods yearly, but it is probably not realized that the volume of goods being exported could actually be less than when our exports were six billion annually. Compare the present export value of wheat at around \$2.50 per bushel with the normal value of around \$1.50 a bushel; compare the export value of cotton during the last year or two with its normal value; compare the value of practically any export with its normal value and the significance of this statement can be seen.

On the other hand, most of our duties on imports, except agriculture items, are levied on the advalorem or percentage basis. That is, we collect in duties a percentage of the foreign value of the article. Importers, by and large, practice all sorts of skulduggery to undervalue their imports. In many cases it is impossible to determine the foreign wholesale price and while our customs inspectors are diligent, it is impossible to ferret out the tricks of importers.

Furthermore, we hold with the generally accepted belief that our State Department is incapable of protecting the interests of domestic producers. We feel that the matter of negotiating trade agreements should be carried on by businessmen rather than by diplomats. Our State Department works diligently and usually is successful in being outsmarted.

We will not at this time recite the many instances where our State Department has consummated an agreement in all seriousness and sincerity only to have its effectiveness entirely nullified by exchange restrictions, currency manipulations, licens-

ing provisions, quotas, embargoes, or some other escape scheme being imposed by the foreign nation which was a party to the contract.

Therefore, in view of the inefficient manner in which the Reciprocal Trade Agreements Act has been administered, we hereby request the Congress to thoroughly investigate the trade treaties which have been accomplished thereunder and the effect which they have had upon our economy and that such corrective measures be instituted which will bring some manner of order out of the chaos that is now upon us.

We furthermore petition Congress to reenact the so-called peril point clause which will in a manner give some protection to domestic industries.

3. We are in favor of the continuation of the wool and mohair purchase plan by the Commodity Credit Corporation at 90 percent of parity and also request the CCC to handle these commodities on a modified purchase agreement plan, similar to that now used in the handling of grain, said agreement to be cancelable by the grower at any time prior to the end of the wool and mohair year.

4. The funds appropriated by Congress for predatory animal control are altogether insufficient for the purpose and are very meager as compared to the appropriations made by the States for the same purpose. Predatory animals are raised in large numbers on Government-owned lands, such as the national parks, where at present no control is attempted or allowed.

We, therefore, request that the present Federal appropriation to the Fish and Wildlife Service of the United States Department of the Interior for predatory animal control be increased at least 50 percent in order that Federal funds may be available to bear an equitable part of the cost of the predatory animal control program in general and the cost of controlling predators on and near federally owned lands in particular. We urge our delegates in Congress to support more adequate funds for the predatory animal control program of the Fish and Wildlife Service and also sponsor and support legislation which will require that the National Park Service control or permit the control of predators in park areas to the end that such animals shall not drift out and become a menace to livestock in adjacent areas.

5. We reaffirm our position opposing the proposed change of the present 28 to 36 hour law governing the time livestock can be confined while in shipment by rail, and strongly urge that such bills not be enacted into law.

6. We reaffirm our position with reference to repeal of the 3-percent Federal tax on transportation of property and most urgently petition the Congress to remove this unjust burden as quickly as possible.

7. We respectfully request and strongly urge the active help of the Secretary of Agriculture and Members of Congress in providing funds for existing agencies to establish a sound, well-supported research program in Texas and the Southwest for improving range forage conditions through studies on (1) control of brush and other undesirable plants; (2) grazing management, and (3) reseeding of improved grasses and legumes. These research activities are badly needed because (1) there are 80 to 90 million acres of Texas rangeland covered by undesirable brush which has seriously reduced livestock and grass production; the brush is increasing at the rate of one-half million acres per year; (2) there are 15 to 20 million acres of the brush country that need reseeding; (3) public agencies and individual stockmen have spent over \$50 million unsuccessfully trying to solve this problem without adequate research.

NOT ON THE REMADE INDUSTRIAL MAP

Mr. MALONE. Mr. President, those sheep and goat raisers have discovered that they do not appear on the reorganized industrial map which the State Department has prepared, and is looking forward to using, so that every nation in the world can produce whatever it desires to produce, as cheaply as possible. We are expected to use that map.

I may say for the benefit of the distinguished Senator from Wyoming [Mr. BARRETT] that I placed in the RECORD a resolution from the National Wool Growers Association. They, too, have discovered they are not on the reorganized industrial map.

PRIVATE INVESTOR STYMIED

By extending the trade act for 1 year, we shall be extending for 1 year the problem we now face as a result of the first enactment of that "free-trade" act in 1934.

No private investor in his right mind will put \$2 into the sheep business, the mineral business, or any other business, unless he brings the Government—the taxpayer in as his partner. Through short amortization periods, guaranteed unit price, or borrowing the money from the RFC or General Services.

The individuals and companies in the mineral business have found out that by making the Government their partner, by means of such a guaranteed unit price, or through a loan from the RFC or General Services, with short amortization periods, they will have a better chance to survive.

Nevertheless, every small business in America has suddenly discovered that it does not appear on the reorganized industrial map which the Secretary of State and the administration have been working on for 20 years.

LORD KEYNES AND OUR \$270 BILLION DEBT

It will be remembered that Lord Keynes, of England, sold the people of the United States a bill of goods early in the past administration, to the effect that the more money one owed, the richer he was.

I call attention to the fact that we are now \$270 billion in debt and Lord Keynes is dead; and the President and leaders of the administration that got us into this muddle are gone.

THE MORE WE DIVIDE OUR MARKETS—THE MORE WE HAVE

The Chancellor of the Exchequer, Mr. Butler, tells us that the more we divide our markets with the nations of the world, the greater our markets will be. They say, "We will produce it cheaper with our sweatshop labor, and you can save money buying our products."

Only two things stand in the way. First, the record shows that when they finally freeze the American worker and businessmen or farmers out of their respective businesses, they then take what the traffic will bear for the product. It is no longer cheap.

DEVALUED CURRENCY—TAKE WHAT THE TRAFFIC WILL BEAR

As an illustration, when Great Britain devalued her currency in 1949 from \$4.03

to \$2.80, she immediately lowered the prices of her competitive products, so that they could come into the United States under the trade agreement we had at the moment, without any check at all. But as to Scotch whisky and a few other products where there was no competition in this country, she immediately raised the prices about 40 percent to make up the difference in the devaluation of the pound from \$4.03 to \$2.80.

There was no reduction in the non-competitive products—that should be an object lesson to us.

FOREIGN TRADE—FOREIGNERS LIVE BY THEIR WITS

The men of the nations of Europe have lived by their wits, in the matter of foreign trade, for the last 100 years, and they understand it. Americans do not understand it.

USED THE CHEAPEST LABOR WHEREVER FOUND

If we follow through to the logical conclusion the theory that every nation in the world should make what it can produce for the cheapest price, it would mean production with the cheapest labor, wherever found, since the same kind of machinery is available to all nations and areas.

If followed through to the logical conclusion, then our entire working force and the small business of the Nation is in direct competition with the sweatshop labor of Europe and Asia, and they all must reduce their wages and write off their investments to meet the competition or go out of business.

THE WORKERS AND SMALL BUSINESSES ARE THE CONSUMERS

They must meet the competition and then they would not even have the money with which to purchase the foreign goods at the lower price.

The people have not thought the problems through. If this extension of the 1934 Trade Agreements Act passes this afternoon we will have a year in which to think it through.

I hope the subject will not be dropped by the workers and small businesses of this Nation, who are also the consumers.

THE CLEAR DIVISION OF THOUGHT

The clear division of thought on this important question is readily apparent. The free trade group, as represented by the 1934 Trade Agreements Act, the so-called Reciprocal Trade Act, is made up, first, of those who sincerely believe that only by a leveling of our wage standard of living to that of the world standard can there be perpetual peace.

A good many people have argued with me, mostly in foreign countries, that as long as the United States has a higher standard of living than the other nations of the world, we cannot expect perpetual peace, because there will be a competitive urge to reach us, so there cannot be world peace. Many of our people are working on the theory that when all peoples are living alike, there will be no reason for concern, because other nations will have just as much wealth as we have; therefore, there will be perpetual peace without competition.

THE NEXT STEP IN HISTORY

Arnold J. Toynbee, in a 3-page article published in *Look* magazine November 18, 1952, entitled the Next Step in History had one paragraph, which was all of the article that interested me, in which he said that the Atlantic Pact Nations will not remain long under separate governments; that they will insist, if they are going to move by majority vote, they will insist upon one government.

That one government will start with the Atlantic Pact nations, later being enlarged to take in other nations, as they become available or acceptable, until they have grown, presumably, to take in the whole world.

He called it the next step in history. Do not discount that idea for a moment, Mr. President. If we proceed on our present basis very much longer, we shall have a one world government, simply because, when we reach that point, we will not be able to defend ourselves or anyone else, will be forced to join them, for our own protection—that is the plan.

Mr. President, the second crowd in favor of free trade are the large business interests who can establish their branch plants behind the sweatshop labor curtain and, through the installation of American machinery and know-how can undersell goods produced by American workers in our own country. This is the source of the propaganda that foreign investments should be tax-free as an incentive for such foreign investments. Mr. President, we have not seen anything yet. The next proposal that will be made—and I believe it has already been discussed through our State Department, although I suppose they would not admit it—will be for four or five billion dollars, or some very large amount of money, to stabilize the sterling bloc currency, and the currencies of other nations, at their fictitious values.

The next proposal will be that investments going from America to foreign countries shall be free of taxes, in addition of course to the privilege of shipping their products back into this country on a free-trade basis.

So in fact, Mr. President, we already have in sight the "one world" spoken of by the historian Arnold J. Toynbee.

It creeps up on us one step at a time. We may say with respect to each step, "We will take this one, it does not look so bad."

We have been taking these steps for 20 years. It is time we total up the book. It will appear a lot more formidable when we add them altogether. It is certainly a case of world politics making strange bedfellows.

FAIR TRADE GROUP

The second group, the supporters of the "fair trade" and not "free trade" principle with foreign nations as represented by an adjustable duty or tariff on imports based upon "fair and reasonable competition" want to maintain our wage standard of living while assisting foreign nations to raise their own.

That is the group to which I belong.

The first, is the theoretical group, which believes that if we level our

standard of living there will be peace forever. They were joined by the group selfish in its design with the whole world its oyster. They believe the can invest money in any or all nations of the world, tax-free, or partially so, and through free trade bring into the United States the products produced with labor earning from 40 cents to \$3.50 a day. American workers and small businesses will then either have to reduce wages or go out of business.

That group has nothing in common with the first group except one thing, and that is free trade. They are, indeed, strange bedfellows.

Supporters of the fair-trade principle, who advocate a flexible tariff, import fee, or duty, as the Constitution of the United States calls it, adjusted upon the basis of fair and reasonable competition, are the group which I represent here today.

This group wants Congress to reassume its constitutional responsibility in the regulation of foreign commerce, and to adjust duties, imposts, and excises, commonly known as tariffs or import fees, on a fair-trade basis; that is, on the basis of fair and reasonable competition.

Then, as the world standard of living improves, such duties or tariffs can be correspondingly lowered, and when the world standard approximates our own, free trade will be the almost automatic and immediate result.

PITTING THE FOREIGN SWEATSHOP LABOR AGAINST AMERICAN LABOR

If the President and the State Department, as an agent of Congress, persist in pitting the sweatshop labor of Europe and Asia against American workers and small business, I predict that the American workers will soon insist that their wives look for the American label on the products before buying.

SENATE SMALL BUSINESS COMMITTEE USELESS

We have a Small Business Committee in the Senate. It really tries to help small business to obtain Government contracts.

But while they are trying to secure a fair share of Government contracts for small business, to enable it to hold its head above water, the Congress itself continues to pull the economic rug out from under their feet by dividing their markets with the sweatshop labor of the world through free-trade policies—called reciprocal trade to sell the free-trade idea to the American people.

I have observed the small-business organization in the Senate for 7 years, beginning in 1947.

We always talk about what we intend to do for small business. We render it lip service, and then destroy it utterly and purposely. It cannot be otherwise than by design if we persist in pitting the American workers and the same small business against the sweatshop labor of Europe and Asia. Why we do this I cannot say. There is a missing link or a slip somewhere in the thinking of the Senate.

LABOR A GREAT PART OF THE COST

The American businessman and worker cannot compete in industries in which

labor plays such a great part in the cost of the product. I refer to such industries as electric machines, machine tools, watches, precision instruments, the wool and sheep business, the cattle business, the mineral business, and hundreds and thousands of others in which labor is the paramount part of the cost of production.

Such industries in this country cannot compete against American capital and know-how invested in branch plants behind the sweatshop labor curtain with their assembly lines and cheap foreign labor paid from 40 cents to \$3.50 a day.

FAIR-TRADE DUTY—FARM PRODUCTS

If we had a fair-trade duty or tariff adjusted on the basis of fair and reasonable competition with respect to farm products, 80 to 85 percent of the farm products would not need a subsidy.

The reason a subsidy is necessary is that we allow farm products to come in from every other nation in the world.

Not very long ago potatoes were coming in from Canada so fast that we finally had to paint them blue and feed them to the hogs, or buy kerosene and burn them.

Many of them were not our potatoes. They were foreign potatoes, for which we paid so much a bushel out of the pocket of the American taxpayer.

Any farm boy could tell us that if we guarantee a profit on potatoes, in 2 years we could have potatoes 10 feet deep between here and San Francisco. The same is true of raising little pigs. Guarantee a profit, and you have pigs—and fast.

THE WHEAT AGREEMENT—COSTS US 60 CENTS PER BUSHEL

The distinguished junior Senator from Kansas [Mr. CARLSON] stated that England had refused to sign a wheat agreement, because it would cost her 5 cents a bushel more. I am glad she did not sign the agreement. I would vote against any such agreement coming before the Senate because we can only get the worst end of it in any event.

The people of the country may not be aware of the fact that every bushel we sell under such an agreement has cost the taxpayers of America 60 cents. Of course, 60 cents sounds small to Members of Congress but not to the taxpayers, after being nicked for 5 or 6 billion dollars a year in cash and materials for foreign countries.

In addition several billion dollars more is going for off-shore purchases and contracts for repairs to machinery.

We are getting the same treatment we always get in connection with such contracts. I hope some committee will investigate the operation—I suppose they will after the money is gone.

SURPLUS CROPS

What are the crops of which we produce too much? We are encouraging an increase in such production through our policies.

Such crops include wheat, cotton, and tobacco as the three principal surplus crops.

Wheat, cotton, and tobacco are a problem; but we could tackle the prob-

lem and give the producers of those commodities an opportunity to slowly decrease their acreage, so that they would not outproduce the domestic market—the amount that could be consumed in this country.

But when we allow such products to come into the country without a tariff or import fee or duty, as the Constitution calls it, then we augment the supply. We aggravate the problem. The adjustable duty or tariff on the basis of fair and reasonable competition in the hands of the proposed Foreign Trade Authority would cure the problem of imports.

The State Department of "free trade" under the 1934 Trade Agreements Act simply further aggravates it.

PRODUCTION OF AUTOMOBILES

Mr. President, the United States production of automobiles is more than 50 percent of the world's production, although the United States has less than 7 percent of the world's population. This production is possible, because

First. The free competitor's enterprise system has brought the highest scale of living ever known, and has thus provided a mass buying market. Without a high per capita income, there could be no such demand for automobiles anywhere.

EVERY WORKINGMAN POTENTIAL AUTO BUYER

Mr. President, I should like to say at this point, when Mr. Ford and others like him came out for free trade it probably caused his grandfather to turn over in his grave. Every man in the United States on a payroll is a potential candidate for the purchase of an automobile, if he does not have one already; and if he does have one already he is a candidate for turning it in as soon as it is a year old. He has the money.

What are we doing in knocking the wage standard of living down in this country through encouraging investments in foreign nations which sell the products here through the "free trade" arrangement under the 1934 Trade Agreements Act?

Mr. President, 500 employees in Africa at 40 cents a day, or 200 in another nation at \$2 a day, or 150 at \$3.50 a day, taken together in each case are just about a candidate for the purchase of an automobile.

Second. The mass market and competitive conditions have concentrated production, enabling the survivors to buy the very best equipment, special purpose machinery and facilities to reduce their costs, so that each reduction in price has resulted in increasing the potential market. The prosperity of the manufacturers and competition for labor has enabled millions of Americans to raise their incomes directly, and millions more to profit indirectly. The lower prices have enabled American manufacturers to invade the foreign fields and thus to increase their production and again further their cost reduction progress.

Third. The demand for cost cutting, production increasing equipment and facilities has had a most beneficial effect on machine toolbuilders and allied producers and designers, so that they, too,

have the benefit of mass production and, in some cases, have been able to invade the foreign markets.

Some automobile executives now favor free trade, believing that the removal of tariff barriers, restrictive quotas on imports, and currency controls would greatly increase their foreign business.

Have these advocates of free trade stopped to consider the overall effects of such a policy? We know that costs of any article consist of labor, material, and overhead plus such other expenses incurred before delivery to the customers, such as transportation costs, advertising, and selling expenses. And we know there must be a profit, or the business cannot be financed for continued growth. Now, if any of these elements of cost is a high percentage of the price, the producer must be able to keep that element of cost down to the proper relation to his competitor's costs whether that competitor be in the United States or in any other country where the article is to be sold at competitive prices, or, I might add, where that article must be shipped back into this country on a free-trade basis.

If we start with the raw materials required to produce an automobile we must include the coal needed for power, iron, and steel production, transportation, and so forth, and the highest cost element in coal production is labor—labor in the mines, in the shipment, in the handling of coal for producing power, and converting other necessary ores to provide iron, steel, copper, brass, lead, and so forth. If we analyze every piece, and every service, such as public utilities and transportation, we find that the cost of labor is accumulating from the point of origin of the prime materials right through to the finished product or service rendered and it is seldom less than 80 percent of the final cost of the finished product.

If, therefore, we are to open up the world to free trade, the only advantage we have is due to our mass production methods, and we are at a distinct disadvantage when we must compete against any product or service on which hand labor is the biggest item of cost. Whether the hand labor is the skilled work of the toolmaker, the instrument maker, or the back breaking toil of transporting goods over mountains or through jungles, or the hand picking of grapes, berries, and other agricultural products, we can only hope to meet such poorly paid foreign competitive labor by mechanized and power-driven equipment.

George Washington warned his countrymen of the need for protective tariffs to enable the citizens of the infant republic to build up the necessary industrial resources to provide for natural defense. Protective tariffs are still necessary to build up infant industries, and to prevent the bankruptcy of industries in which labor costs cannot be reduced by power-driven mechanical equipment.

That same power-driven mechanical equipment is available in foreign countries. Therefore there is no advantage at all, Mr. President, except labor costs, and that is what will be found to be be-

hind the movement to pit the low-cost labor of the world against the high-cost labor in the United States.

As we find need for new mineral requirements, or have to resort to the development of low-grade ores, or small ore deposits which cannot be developed by mass-production methods in time of national emergencies when we are cut off from foreign sources, we must have protective tariffs or private owners cannot be expected to develop these resources.

GOING-CONCERN INDUSTRIES—PRINCIPLE

Mr. President, I wish to say at this point that what we need in this country and what we must have in this country, not only in the mineral industry but in the precision industry—such as the watch industry and the machine-tool industry—are going-concern industries.

How can we have going-concern industries when we have no principle to go by, and when we must meet the competition of the low-cost labor of the world, running from 40 cents a day—when they get it—up to \$3.50 a day?

MORE EMOLUMENTS HERE THAN WAGES ABROAD

I will say to you, Mr. President, that in this Nation our employers pay more in industrial insurance, social security, unemployment insurance, and other emoluments to the worker than is paid in wages in many nations of the world, which are in free competition with the American worker under this free-trade system—set up by the State Department as an agent of Congress.

Our country had to buy all tinplate abroad, until the McKinley tariff bill brought protection to American producers. In 1946, our Government shipped tinplate to our allies at 7 cents per pound. Some civilian requirements of Americans could only be met by importing tinplate from Great Britain at a cost of 17 cents per pound. How could our Armed Forces have been supplied with food, or at what cost, if we had not developed our own tin plate production? And after the war we set up a modern tinplate plant in Great Britain of the very latest type which now cannot operate profitably, because it cannot be operated full time. If we reduce tariffs on tinplate, the tin cartel can set prices so the British mill can run full time by shipping its production to our country; and eventually our dependence on Great Britain will follow.

CARTELS—MANIPULATION OF CURRENCY VALUES FOR TRADE ADVANTAGE

I wish to point out again, Mr. President, that the countries of Europe know nothing except how to operate through cartels, through manipulations of currencies for trade advantage, through quotas, through specifications, through trade and exchange permits and other subterfuges, to prevent our products from reaching their buying public.

I point out an agreement was made under which people believed they could ship automobiles to Bermuda. However, upon investigation it was found that the specifications of the automobile that could be driven on the roads of Bermuda were for an automobile made only in England. That is only one example.

There are hundreds of such examples.

As soon as a few great American industries are flattened by foreign low labor cost imports, we shall have a depression, and every cut in our per capita income will reduce our markets for all other American products. Then the market for automobiles will shrink, and costs will rise as a natural result—followed by further reductions in demand.

UNCLE SAM HAS NO UNCLE

If the United States, now producing nearly half of all the manufactured products of the world, should lose its position, as a result of a flood of imports from countries where wages are from 50 to 80 percent lower, who will help our unemployed? Who will give us the cash with which to balance our budget?

Mr. President, Uncle Sam has no uncle. No nation in the world will appropriate money and send it to us.

Under the "trade, not aid," slogan, foreign governments will take our trade, but they will not offer us aid, and we are refused access to their markets. As our domestic production declines under the State Department policies, foreign cartels will raise their prices, just as they raised them as much as 100 percent in 1950, when we became involved in the Korean affair and were forced to buy abroad in order to meet our vital needs.

REMEMBER THE RUBBER-PRICE MANIPULATION

Mr. President, all of us remember that when the United States was dependent upon rubber from the Far East, from the sterling-bloc countries, the price of rubber was raised more than 100 percent.

During those years rubber sold for more than \$1 a pound. Since then we developed a synthetic substitute, and therefore we can hold the price of natural rubber to a reasonable level. That situation is only an example. It is obvious that if the United States goes out of a particular business through the announced policies and objections of the State Department, the foreign countries of the world in that business will demand as high a price as the traffic will bear. Then other countries will have both control of the raw materials and an expanded industrial machine, operating with low-wage labor which will operate to ruin our economy and will reduce our living standards to as low a point as their own.

A VESTED RIGHT IN SWEATSHOP LABOR

Mr. President, under a free-trade program, we encourage the other nations to hold down the wages paid to their workers, because in that way they can profit to the extent of the difference between the production costs and the prices the traffic will bear, in connection with sales in the United States, whereas if there were a flexible tariff or import fee, duty, or whatever it may be called, to make up for the difference between the wages paid in foreign countries and the wages paid in the United States, in my humble opinion those countries would not long pay that tariff or import fee into the United States Treasury.

On the contrary, once they made up their minds that the free-trade party was over, they would realize that they might just as well permit the wages

paid to their workers to rise, instead of paying that tariff or import fee into the United States Treasury, and thereby establish a worthwhile market at home.

Mr. President, we can foresee what will happen. However, if going along with the free-traders, just to prove the error of their ways we may find that it is difficult, if not impossible, to free ourselves from this trade trap, once it is sprung.

Mr. President, I have previously mentioned the wool business and the wool producers. I submitted two resolutions which their organizations have adopted.

The plight of the 400,000 and more wool growers in the United States shows the most compelling reason why the present foreign-trade policies should not be continued, for in that case the sheep industry of the United States will be wiped out by bankruptcy. Over 90 percent of the sheep growers left in business have now been forced to borrow their operating capital, and most of the growers are mortgaging land and other capital investments in order to maintain their operations. Imports of foreign wools into the United States forced the price down to such a level that one-half of the domestic clip went into a Government loan program, and the Government now owns about 100 million pounds of American wool, with foreign wool taking our market.

Considering the fact that the United States consumed 700 million pounds of grease apparel wool in 1952, while domestic growers produced only 232,373,000 pounds, it is evident that foreign-produced wool imported into the United States, under our cost of production, created the price decline on domestic wools which forced American growers into a support program, and has made the domestic wool industry an unprofitable business.

TAX MONEY CAN BE SAVED

Mr. President, with a flexible tariff or duty, as the Constitution of the United States calls it, adjusted on the basis of fair and reasonable competition, it will not be necessary for Uncle Sam to buy the wool crop. That is one place and there are hundreds of others, where tax money can be saved.

The American market was completely demoralized by export actions of foreign governments and foreign producers, and even currency manipulation was used to circumvent the lowered tariff negotiated under the Trade Agreement Act.

MARKET MANIPULATIONS

Mr. President, it may be of interest to you to refer to some of the methods of market manipulations by foreign countries. I shall mention just one of the methods. It would require a long, long time for me to enumerate all the market manipulations that are known to me.

I do not attempt to say that I thoroughly understand all of the ramifications of the subject, although I have studied it for many years.

Let us refer to the Argentine, for instance. If a producer in Argentina sells raw Argentine wool to the United States and gets dollars for it, he can cash the dollars for pesos, getting a certain num-

ber of pesos for each dollar. On the other hand, if Argentinian manufactures the wool into processed commodities, he then will get a larger number of pesos for each dollar. Therefore, through manipulation, Argentina can create a new value for the Argentine peso, for any purpose.

Under those circumstances, Mr. President, how is a naive, inexperienced State Department going to deal with countries that have every process of market manipulation at their fingertips, and thus manipulate their currencies, and utilize every known subterfuge for trade advantage?

Under the trade agreements with wool-producing countries, the foreign growers whose cost of production is low are able to transport their wool halfway around the world, pay the lower tariff, and still undersell our producers, because of their low cost of production. Some of the imported wools are subsidized by the foreign governments, and that gives an even greater advantage in underselling the nonsubsidized wool growers in this country.

In hearings before the House Ways and Means Committee, when it was testified that the sheep population of the United States today is approximately 28 million, and that import competition had accounted for a decline of more than 46 million head in 1940, Representative THOMAS MARTIN, of Iowa, made a strong statement. He said that wool is the main agricultural commodity listed as strategic and critical for purposes of national defense. I should like to quote from the statement made by Representative MARTIN, as it appears on page 207 of the hearings on the Trade Agreement Extension Act of 1953:

We do not know our peril defensewise. We are dragging our feet. You are going in the wrong direction very rapidly on the sheep population and wool production in this country. * * * For the life of me, I do not know who blindfolds our Government officials to the point where they can do that and rest at night.

I am very much interested in your statement here because you have given us some very valuable information, and I think it is up to us to bear in mind that you do represent one of the largest agricultural commodities listed as strategic and critical.

I cannot see how we as a Nation can lightly dash off the wool-production industry. You know better than most people that the sheep population is our best insurance on wool supply; that it is very hard to stockpile in large enough quantity to do what I am talking about for national defense.

Mr. President, in 1940, just before Pearl Harbor, importation of foreign wool amounted to 38 percent of domestic production, and a strong American industry was ready to produce needed apparel wool for the Armed Forces. Now, 12 years later, after the lowering of tariffs under the trade agreements, foreign wool imports in 1952 amounted to 72 percent of the domestic consumption of the United States.

Attempts of the American producers to solve their other problems of production have been to no avail in the face of this importation of foreign wool at prices below American costs of production, with the result that 41 percent of the wool

and lamb producing ewes on the sheep ranches of the United States have been sent to the slaughter houses—and this in the face of warnings from the Government that even the national welfare is involved in the decline of the production of wool in the United States.

The 1950-51 Yearbook of the United States Department of Agriculture states, on page 489:

We want to keep our wool industry vigorous because wool is essential to our national health and security; the Armed Forces consider wool a strategic and essential material.

Domestic wool production, even in peacetime, has never been equal to consumption. Normally we produce only from one-fourth to one-third of our total requirements. To meet any emergency we should produce at least two-thirds of our normal requirements of apparel wool.

The United States Senate Joint Committee on the Economic Report says in Senate Document 100 of the second session of the 82d Congress, on page 1:

Our domestic wool clip "is averaging only about half" the rate of production required for military use during World War II, and "the foreign wool which we are using today to supplement our domestic production requires shipping over sealanes of minimum distances of 5,000 to 8,000 miles. To depend upon imports over extended supply lines in time of war is not realistic."

PREPARING TO FIGHT WORLD WAR I AGAIN

Mr. President, I would say that next time we are going to fight a different kind of war. We are apparently getting ready to fight World War I again. That was my war. In that war our men were in the trenches. In World War II the men moved along at a faster pace—they had planes and submarines.

It seems to me we are forgetting what kind of war we are to fight the next time. We are certainly not going to fight either World War I or World War II over again. It will be fought in the air and under the sea next time.

ADVICE FROM THE DEPARTMENT OF AGRICULTURE

Some good advice is gleaned from the 1950-51 Yearbook of the United States Department of Agriculture, at page 489. I continue:

It is self-evident that there is no possibility of building a strong domestic sheep industry or even maintaining the welfare of the present industry production so long as the market place and market price are controlled by subsidized and cheap foreign imports while a major portion of the domestic clip is in the hands of the Government under a loan support subsidy program.

The solution to our problem lies in the immediate discontinuance of the present trade-agreement program as it has been carried out under the the present Trade Agreements Act.

ACT—UNITED STATES VERSUS AUSTRALIA

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table of cost comparisons in the sheep industry.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cost comparisons

	United States	Australia
Per head:		
Hired labor.....	\$3.02	\$0.52
Shearing.....	.40	.12
Taxes.....	.84	.09
Total cash costs per animal per year, including the 3 items listed above.....	8.45	1.91

(1) From BAE study of sheep operations in the intermountain region of the United States and Australian Commissioner of Agriculture reports for year 1949 (official figures).

(2) Other statistics show the cost for shearing sheep per head in Argentina is 6 cents, in New Zealand 18 cents.

(American industry most efficient in the world but between 30 and 40 percent of total production cost is labor and it is impossible to compete with low labor standards such as these.)

Mr. MALONE. Mr. President, it will be noted that the cost comparisons are based on the cost, per head, of sheep raised and marketed within the United States and Australia. It will be noted further that the total cash cost per animal a year, including the three listed items, are, for the United States, \$8.45, and for Australia, \$1.91.

UTTER IDIOCY OF THE "FREE TRADE" PROGRAM

But, Mr. President, this is not the worst feature. There are other countries in which the cost is less. It would seem unnecessary to pile evidence upon evidence, as to the utter idocy, considering our standards of living, of a free-trade program in competition with sweatshop-labor countries, a program of open competition, pitting their labor costs against ours; but we are doing that in every business in which our people are engaged.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a release by the United States Tariff Commission, dated June 26, 1953, marked "Public Information," and bearing the heading "Tariff Commission Receives Letter From the White House Regarding Wool and Wool Tops."

There being no objection, the release was ordered to be printed in the RECORD, as follows:

[U. S. Tariff Commission, Washington—Public Information]

TARIFF COMMISSION RECEIVES LETTER FROM THE WHITE HOUSE REGARDING WOOL AND WOOL TOPS

The following letter regarding the Tariff Commission investigation on wool and wool tops (Investigation No. 5) was received on June 26, 1953, by the Tariff Commission, from, and its release authorized by, the White House:

THE WHITE HOUSE,
Washington, June 25, 1953.

DEAR MR. CHAIRMAN: By letter dated August 15, 1952, the then Secretary of Agriculture, Charles F. Brannan, recommended that the President request the Tariff Commission to institute an investigation pursuant to section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. He stated they were being or practically certain of being, imported into the United States under such conditions and in such quantities as to tend to render in-

effective, or materially interfere with, the price-support program for wool undertaken by the Department of Agriculture.

Under date of September 2, 1952, the President addressed a letter to the Tariff Commission, pursuant to the recommendation of the Secretary of Agriculture, directing the Tariff Commission to make an investigation in accordance with Executive Order No. 7233 (November 23, 1935) which promulgated regulations governing investigations under said section 22. The letter of the President further directed that the investigation and report of findings and recommendations of the Tariff Commission should be completed as promptly as possible and that the Commission should determine whether wool or wool tops are being or are practically certain of being imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the wool price support program.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review the Department of Agriculture programs for wool and wool tops and the conditions as they may develop so that it may be in a position to report to me promptly in the event such a report is requested in the future.

Sincerely,

DWIGHT D. EISENHOWER,

HON. EDGAR B. BROSSARD,
Chairman, United States Tariff Commission, Washington, D. C.

THE TARIFF COMMISSION—AND WOOL INVESTIGATION

Mr. MALONE. Mr. President, in effect, the President is telling the wool industry that there is no chance for relief.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review—

But in this letter the President orders the Tariff Commission to desist, stating that no further adjustment will be undertaken at this time.

More recently, within the past 2 or 3 days, the President has ordered another investigation of the wool business by the Tariff Commission.

FURTHER EVIDENCE OF NEED FOR CONGRESSIONAL PRINCIPLE

I point out that this is further evidence of the uneasiness of the private investor and of those engaged in producing wool within the United States. But, no matter how kindly a President or a Secretary of State may be, or how well disposed he may be toward industry, the Congress of the United States has given both of them the power to destroy, and has made them the agents of the Congress, in order that they, by Executive order, may do what the Congress itself should now do, and what the Congress is directed by the Constitution of the United States to do, namely, to study and then to fix the duties, imposts, and excises on

imports, and to regulate foreign commerce, not haphazardly, but in conjunction with carrying out a foreign policy established, and rightly so on a basis of fair and reasonable competition, because the Constitution of the United States places upon the Congress the responsibility of regulating foreign trade.

The Constitution of the United States placed on the Congress not only the duty but the responsibility of regulating foreign trade, of regulating duties, imposts, and excises, commonly known now as import fees or tariffs, and to regulate foreign trade.

THE PRESIDENT FIXES FOREIGN POLICY

The Congress has nothing to do with the fixing of a foreign policy; but the Secretary of State of the past administration, and the Assistant Secretary, as heretofore set forth in the RECORD, said that we cannot distinguish between the domestic economic policy and the foreign policy. It is hard to distinguish between the two they said. They said no one could distinguish between the two after they had for 15 years made both the domestic economic policy and the foreign policy.

THE THREE-PART FREE TRADE PROGRAM AGAIN

It was stated by the then Secretary of State Dean Acheson and his assistant Willard Thorp, that three methods adopted under that administration were necessary, each one playing its own part in making up the trade-balance deficits. There was the 1934 Reciprocal Trade Agreements Act, under which markets were being divided; so that theoretically there were no trade-balance deficits. There was the cash to foreign nations under various plans. There was also the International Trade Organization, proposed for several years, abandoned temporarily, I think, then there was created what is known as the International Materials Conference which is now in full force and effect, without approval by the Congress. Last of all, in August 1952, 54 nations led by the sterling bloc countries and the United States of America, met in Mexico City. The concluding admonition to the members of the conference when they went home was to study the proposition that any nation, meaning us, which sold more goods in foreign countries than it purchased should make up the difference each year in cash. It is not hard to determine where we are headed, Mr. President. We are headed for economic oblivion unless we about face and start looking after the United States of America for awhile.

EXECUTIVE AN AGENT OF CONGRESS

In making the Executive an agent of Congress through the 1934 Trade Agreements Act with an internationally minded State Department actually making such trade agreements the power is in the Executive and the State Department to remake and rearrange the industrial map of the United States of America.

Certainly if the industrial map of America, established over a period of 175 years through competitive efforts of its citizens is to be rearranged, an internationally minded State Department is not the agency to do the job.

CERTAIN INDUSTRIES ELIMINATED

Many smart young bureau officials have long said that, of course certain industries will be eliminated but the workers in those industries can be retrained for other jobs.

In other words, we are to have and do have, under the 1934 Trade Agreements Act, a supergovernment, and a superindustrial boss who can say to the textile workers in a certain phase of that industry to the wool growers, to the mineral producers, to the watchmakers, to the machine tool producers and to all other domestic producers whose product can be produced cheaper in Australia, Switzerland, Scotland, India or in any of the nations behind the sweatshop wage curtain of Europe and Asia, that we will import the specific product at the cheap labor price and the American workers will be retrained to go into another industry or another business.

TRAIN SHEEPHERDERS TO MAKE WATCHES

I suppose, Mr. President, we can train sheepherders to make watches. I suppose the steelworkers or the machine-tool workers can be trained to become precision-instrument workers.

PIT AMERICAN LABOR AGAINST THE SWEATSHOP LABOR OF EUROPE AND ASIA

What they actually mean, and what they say, practically, is that they are going to trade American labor and small business down the river in favor of cheap foreign labor and foreign business, so that the international bankers and large industries of such a nature and such a size that they can establish branch plants behind the low-wage curtain, will get the business, and American labor can have lower wages and American businessmen can write off their investment or go out of business.

There never was anything more stupid than the idea of training grown and trained workers in one business to go into another business. Of course, nothing of the kind is even anticipated. It is lipservice until the principle is beyond changing. But the workers will be unemployed.

It will be recalled that during World War II there was an order issued through the War Production Board that all gold mines would be shut down, on the theory that the gold miners would go into other branches of mining. Of course, if one knows anything about miners, he knows that they are attached to their area and their method of work. They are not going to be pulled up by the roots and put away in another area to work. No doubt these were the same Bureau officials who, when told that we were short of iron and steel, suggested that the shoes be removed from the horses at night to save the iron.

BUREAU OFFICIALS TOP BOSSES

Mr. President, early in the past administration there were some theorists who wanted authority to build new towns, to take workers from here and place them there. They wanted authority to sit at the top and run the entire economic structure. They did it for a while. They were doing it up until the last election.

I never thought I would see the day, however when our administration would accept their policies and continue them almost in infinite detail.

THE STUDY COMMISSION

It sounds very well to say we are going to have a commission to study this intricate question. We have had several commissions in past years. There was the National Resources Board. Then we had the Paley report and the Bell report, and we have had many other reports by the theoretical built up erstwhile economists, all pointing to one thing, that if we do not have the necessary minerals and raw materials in this Nation, so we must ship them here from abroad.

We will try to build large manufacturing industries at the expense of other industries both here and abroad, and in the last analysis such industrialists can put branch plants behind the low-wage curtain and force the standard of living of this Nation down as compared to that of foreign countries.

BRANCH PLANTS BEHIND THE SWEATSHOP CURTAIN

Our corporations and individuals representing the mass production industries, such as those manufacturing automobiles, business machines, typewriters, watches, and similar products, whose products are of a nature and whose businesses are large enough, put their branch plants behind the low wage sweatshop curtain, manufacture the goods and ship them into this country cheaper than they can be produced here under our standard of living wages. This trend is increasing and the workers of America and the small business people will eventually be destroyed.

THE NEW INDUSTRIAL MAP

In the remaking of the industrial map of the United States it is very evident at this time that a majority of the products of the relatively small individual producers such as the wool industry, the watch industry, the mineral industry, and any number that can be mentioned, are not shown on the new industrial map, and I am sure they are not willing that a State Department official, inexperienced in industrial affairs shall be their final judge.

It is obvious that only one conclusion can be reached; our State Department and other Government officials want to import goods that can be produced cheaper elsewhere. What do they mean by producing cheaper elsewhere? They mean by cheaper labor the sweatshop labor of the world. Therefore, with the European and Asiatic producers including our own people who invest in branch plants in these areas, there is established a vested right in the sweatshop labor and their profit is gained by holding down the labor price which is competitive with our own, and they profit from that difference. Under those circumstances there is little incentive to raise wages. If in Europe and Asia we want to raise the standard of living as we say we want to do, an import fee based on fair and reasonable competition would help to accomplish this objective.

FAIR TRADE FLEXIBLE IMPORT FEE

Free trade encourages foreign nations to hold their wage standard of living down; they have a vested interest in their low wages; an adjusted flexible duty or tariff would protect the American producer and workers.

When the foreign producer wants to sell his product on the American market he must pay the difference in the cost of production, based on fair and reasonable competition, into the United States Treasury, he would be inclined instead to pay his employees a higher wage, their living standard would be raised, their purchasing power increased, and the American taxpayer would be relieved from such burdens as mutual security program. They would not have wage differentials to be made up each year out of the American taxpayers' money.

THE RESPONSIBILITY OF CONGRESS

The Constitution of the United States provides in article I, section 8, that the Congress shall have power to lay and collect taxes, duties, imposts, and excises, and to regulate commerce with foreign nations.

In 1934, as a temporary measure to attempt to relieve the then existing economic depression, a strong-willed President prevailed upon a subservient Congress to transfer its constitutional responsibility to regulate foreign commerce and to lay and collect duties, imposts, and excises commonly referred to as tariffs and import fees, to the executive branch, to be administered by the State Department instead of by the Tariff Commission, which is an agent of Congress.

Mr. President, the Congress of the United States gave the President of the United States the "power of attorney" to regulate foreign trade and commerce, which is the constitutional responsibility of the Congress of the United States.

As a result of this transfer of constitutional responsibility, the State Department has set about to remake the economic map of the United States through a free-trade program brought about by agreements with foreign countries to cut the tariffs.

That act is the basis for a well-calculated domestic and foreign program designed to divide our source of income, the markets of this Nation, with the foreign nations of the world.

Under the terms of that act the State Department has made many agreements which have been called "trade agreements," but they are in fact only agreements to lower tariffs.

THE 1934 TRADE AGREEMENTS ACT NOT RECIPROCAL

There are no trade agreements made under the act. The act itself is not a reciprocal trade act. That name is a misnomer. It is only a catch phrase to sell free trade to the American people.

The tariff and import fee reductions made under these agreements are effective only against the United States, which has no alternative but to live up to its part of the agreement. The other countries entering into these agreements may at any time thereafter avoid the

agreements through numerous methods of evasion, such as the manipulation of currency, quotas, subsidies, import and export licenses, and other similar evasive methods.

In 1934, when the Trade Agreements Act was first passed, it was advertised as a "reciprocal trade" act. The phrase "reciprocal trade" does not occur in the act, and the word "reciprocal" is simply a catch phrase to sell free trade to the American people.

Any form of reciprocity in trade relations with the foreign nations of the world would generally be impossible under the "most favored nation" clause, since any benefits from the so-called trade agreements are automatically available to all nations without requiring those nations to give any real concessions or benefits in return.

Mr. President, as I have heretofore stated, the agreements to lower our tariffs and import fees have had a very serious effect on American industry, and have allowed the State Department to remake the economic map of the United States, causing unemployment and severe economic hardships in many industries. This, of course, has a demoralizing effect on all industries. The inevitable result is the exporting of American jobs and the lowering of the floor under American wages.

FREE TRADE AND FREE IMMIGRATION

Mr. President, one cannot possibly favor free trade, and the bringing of sweatshop labor products into the United States without the payment of a tariff, duty, or import fee, unless he also favors free immigration. In the final result, there is absolutely no difference between bringing in the products of sweatshop labor and bringing in low-cost labor itself.

AGREEMENTS TO LOWER TARIFFS

The so-called trade agreements, which are in reality agreements to lower the tariff and import fees, do not accomplish their announced objective of expanding the foreign markets for the benefit of the products of American industry, but are in reality agreements to turn over the American markets to the products of low wage employees from behind the sweatshop curtain.

The manipulation of the currency for trade advantage by foreign nations, which I have previously mentioned, as well as the imposition of quotas, embargoes, licensing, specification systems, and other forms of control, are basically dishonest, and are merely methods of evading the terms of the so-called trade agreements in which the State Department has made concessions to these other nations. This form of piracy constitutes the greatest source of unrest and distrust among the nations of the world.

Mr. President, I believe there is a desperate need in the United States at this moment for an American policy that fits America, and there must be an immediate separation of the domestic economic policy and the foreign policy of this Nation, which were tied together by former Secretary of State Acheson and the administration of which he was a part.

The tariff or import fee policy is a domestic matter which should not be tied to a relief program for foreign nations, such as the mutual security program which we have recently debated and passed here on the Senate floor, but the domestic economic policy and foreign policy must be kept separate and distinct.

WE ARMED OUR ENEMIES

Of course, what we have done under the policy of sending the taxpayers' money to Europe has been simply to arm our enemies through the Marshall plan and continue to give them the advantage of building up their industries. The industrial capacity of the European Marshall-plan countries now averages from 145 to 160 percent above what it was prior to World War II. Therefore, the only place where those countries can find sufficient markets is either in Russia and the Iron-Curtain countries or the United States of America.

When they send anything to this country, it simply means that our people will produce that much less; anything that we send to the countries in Europe means that they will produce that much less.

UNREASONABLE TO FORCE TRADE BETWEEN TWO PROCESSING AREAS

In other words, it is the most unreasonable thing in the world to try to force trade between two processing and manufacturing areas such as the United States of America and old Europe.

STATE DEPARTMENT DESTROYED THE TARIFF STRUCTURE

Pursuant to the terms of the 1934 Trade Agreements Act the State Department has adopted a free trade policy and in many cases has lowered the tariffs and import fees as much as 75 percent without regard to the differential of the cost of production between domestic industry and foreign industry, which is due primarily to the difference in the wage standards.

Unless a sensible trade policy, predicated on flexible import fees, based on fair and reasonable competition is affirmatively adopted our domestic economy will be irrevocably damaged through the importation of man-hours of low cost labor from behind the sweatshop curtain.

EXPORTING AMERICAN JOBS TO FOREIGN COUNTRIES

The inevitable result of this policy of exporting the jobs of American workers and importing sweatshop man-hours is to reduce our standard of living to a lower world average. Such a policy is certainly not the answer to the so-called dollar shortage of foreign nations.

DOLLAR SHORTAGE—A GREAT HOAX

As I have said many times in the Senate, the dollar shortage theory is one of the greatest hoaxes that has ever been sold to the American people. There are only two sources of dollar shortage: First, when one spends more than he earns; second, when a foreign nation fixes the value of its currency above the market value, and no one will pay the price except a very misguided Congress. Certainly no one in business will pay it.

These are the reasons for dollar shortages.

NOTHING WRONG THAT SIMPLE HONESTY WILL NOT CURE

There is nothing wrong with the currency systems of the world that simple honesty in current exchange values will not cure.

MAINTAIN "GROWING CONCERN" DIVERSIFIED INDUSTRY

Our national security, increased employment and the development of more taxable property depends on a diversified domestic industry, and would be impossible under the free-trade program of the State Department.

It has been advocated under this free-trade program that domestic industries which may be hurt thereby, should be subsidized by the Government, such an idea is unfair to the American taxpayers. While tariff and import fees are collected from the ultimate consumer of the imported goods, the subsidies are collected from all of the taxpayers and paid to certain domestic producers.

TAKE PROFIT OUT OF FOREIGN SWEATSHOP LABOR

In that connection, when we collect the differential between the cost of sweatshop labor and the higher standard of living wages in this country, in the form of a tariff or a duty on a flexible basis, and thereby establish a basis of fair trade with foreign nations, the money will go into the United States Treasury and can be used to pay debts or to lower taxes. It will take the profit out of foreign sweatshop labor.

TARIFFS OR SUBSIDIES

But when there is free trade, and we must collect money from the taxpayers of the United States to pay subsidies to hold up a standard of living for an industry that cannot survive in competition with sweatshop labor, it becomes necessary to impose additional taxes. We cannot lower taxes and at the same time pay subsidies. We must pay subsidies if we desire to have free trade. It is as simple as that.

NO QUESTION OF HIGH OR LOW TARIFF

The constitutional authority for fixing tariffs and import fees rests with the Congress of the United States, and it is a dangerous delegation of authority to put the power to destroy the workman and the industry of this Nation solely in the hands of a Secretary of State.

Under the Foreign Trade Authority bill which I have introduced and offered as a substitute for the 1934 Trade Agreements Act, there is no question of a high or low tariff, or import fee, but the tariff will be set on a fair trade basis to be determined by the declared-customs value and offered-for-sale price in the event the Foreign Trade Authority cannot determine foreign costs.

TAKE INTO ACCOUNT FOREIGN MANIPULATIONS

The Foreign Trade Authority, or the reorganized Tariff Commission, would have plenty of latitude to determine and adjust tariffs and import fees, in order to take up the slack and to offset any manipulation of currency by foreign countries, or subsidies paid to foreign countries.

Only through a flexible-import fee based on fair and reasonable competition will foreign nations be encouraged to raise their own living standards since such an increase in wages would result in a corresponding reduction in the flexible-import fee and the difference would be paid to the workers in each foreign country instead of being paid into the United States Treasury.

Under such a policy the investments of capital in domestic industries will be encouraged since competitive imports will be controlled through a definite long-range policy established by the Congress of the United States and administered by its agent, the Foreign Trade Authority, which would be very similar to the present Tariff Commission.

LONG-RANGE PRINCIPLE FOR INVESTORS

There would be a policy, a long-range principle, adopted, upon which private investors could depend, so that they would be enabled to make investments which might require 1, 2, 3, 5, or 10 years to show results, because they would be only pitting their judgment against that of their fair competitors.

RETURN CONSTITUTIONAL RESPONSIBILITY TO CONGRESS

The Foreign Trade Authority bill which I have introduced as a substitute for Senate bill 5495 would return to the Congress of the United States its constitutional responsibility to regulate tariff matters on a basis of fair and reasonable competition, and on a fair trade basis with foreign nations.

The responsibility for establishing tariff was placed in the Congress by the Constitution. For many years in connection with tariff legislation the result was that such legislation was debated on the floors of both Houses of Congress, and did produce the unfortunate result usually called log-rolling.

The 1934 Trade Agreements Act, according to its proponents, was supposed to be a great advance over this unsatisfactory method.

However, I point out that the 1930 Tariff Act provided for such a flexible method for adjusting duties and tariffs. It made provision for the utilization of such flexibility by the Tariff Commission in setting duties and tariffs on a flexible basis without interference by Congress. The problem had already been met.

The flexible import fee bill would accomplish both—the return of jurisdiction over tariffs to the Foreign Trade Authority an agency of Congress in accordance with the Constitution of the United States, and would effectively prevent any so-called log-rolling, if, in fact, any existed after the 1930 Act.

MAKING EXECUTIVE AN AGENT OF CONGRESS NOT THE ANSWER

As unsatisfactory as was the former method of making tariffs, the delegation of that responsibility to the Executive was not the correct answer, because in the past the President, with the advice of the State Department, has been all too eager to use this delegated authority to advance their foreign policy. In other words, the Secretary of State would sell an industry down the river to purchase some fancied favor in foreign policy, probably in the long run not secured.

It is necessary, therefore, to return to the Congress its constitutional responsibility for the determination of any tariff policy.

PRINCIPLE LAID DOWN BY CONGRESS

The proposed Foreign Trade Authority would administer tariff rates according to the principles laid down by the Congress, on the basis of fair and reasonable competition and any adjustments in the duties or tariffs proposed by the Authority would be submitted to the Congress, which, if it so desired, could disapprove any specific change by concurrent resolution within 60 days.

Congress, therefore, would not only again become the policymaking body in the domestic economic field, but would also retain the veto power over any proposed tariff changes made by its agent, the Foreign Trade Authority, without, however, debating the tariff question in the Congress.

The fact, alone, that Congress could take definite action to disapprove any tariff change recommended by the Authority would give Congress complete control over its agent, the Foreign Trade Authority, a reorganized Tariff Commission.

DUTIES OR TARIFFS A DOMESTIC MATTER

Historically tariffs have always been a domestic matter, because they are instituted for the protection of the domestic economy. For that reason alone the administration of tariffs by the State Department under the authority of the 1934 Trade Agreements Act, as has been the practice in the past 19 years, is an absurdity.

FOREIGN RELATIONS—DUTY OF STATE DEPARTMENT

The duties of the State Department are in the field of foreign relations; and to give such an agency the power to determine the fate and the nature of the national economy as constituted by its many competitive industries, is plainly contrary to good judgment.

CONTINUITY OF THE WORK PROVIDED

Under the provisions of this amendment the present Tariff Commission would be transformed into the foreign-trade authority, and the present Commissioners would automatically become its directors. Thus this amendment would provide for continuity of the work, as well as the personnel of the present Tariff Commission.

FAIR AND REASONABLE COMPETITION

The flexible-import-fee substitute would introduce the principle of fair and reasonable competition. Imports from low-wage countries would come into this country on a fair-trade basis after paying tariffs and import fees. It is no more than reasonable to domestic producers and foreign producers alike to require them to compete in the United States on the basis of reasonable price equality.

CARTELS AND MONOPOLIES

In a great deal of domestic legislation we have attempted to break up monopolies and cartels and to provide the domestic market with a set of fair competitive standards, whereas through the 1934 Trade Agreements Act as administered by the State Department foreign im-

ports have been able to enter our markets with a great competitive advantage.

The flexible import fees, as administered under the Foreign Trade Authority amendment, would make it useless for foreign producers eager to sell on the American market to keep wages down, since any increase in the standard of living abroad would be reflected in a reduction of duties applicable to such imports. Standards of living abroad would tend to improve under that principle.

NATIONAL DEFENSE ADVANCED

The national security would be advanced by the provision of adequate tariff rates for products which have been coming into the country in increasing quantities. Above all, venture capital available for the development and growth of business, including mining enterprises, would increase, and most of the mines now closed would reopen because of the increased confidence that "fair trade" tariffs would sustain continued domestic production.

WOULD NOT NEED GOVERNMENT AS PARTNER

In other words, it would not be necessary in the future, if this amendment were put into full force and effect, for the businessmen and the mining men of the Nation to have the Government as a partner before they would be willing to invest their money.

In addition, research and development for the utilization of low-grade mineral deposits would go forward.

PERIL POINT AND ESCAPE CLAUSE A DELUSION

Under the present law the so-called peril point and escape clause are simply reminders or notes of caution to the President, but are not mandatory provisions and serve to delude the public.

The peril point is determined in advance, and the trade agreements or the agreements to lower tariffs are supposed to be based upon such determinations. Then the foreign nations, with which such agreements are made, manipulate the price of their currency, raising the price of their money in terms of the dollar, and, in effect, put a tariff on their money.

ESCAPE CLAUSE RARELY APPLIED—AND NOT TO EXTENT NECESSARY

So far as the escape clause is concerned, of the 50 applicants who have filed applications for relief under the escape clause during the past year, only 3 were actually granted relief.

This situation seems to substantiate the fact that it has been the prevailing policy of the executive departments to divide the markets of this Nation with the other countries of the world.

REAL PROBLEM OVERPOPULATION

The real problem in Europe and Asia is overpopulation. That is the real meat in the cocoanut, and the root of all their troubles.

IMPORTING EITHER PRODUCTS OR CHEAP LABOR DESTROYS OUR WORKERS

We cannot successfully import European and Asiatic cheap labor any more than we can import the products of sweatshop labor without destroying our wage standard of living, and destroying with it our workers and the small businesses of this Nation.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement by O. R. Strackbein, of the Joint Labor-Management Council, on the Foreign Trade Policy, before the National Small-Business Men's Association at Washington, D. C.

The PRESIDING OFFICER. There being no objection, the statement and list of members of the council will be inserted at this point in the RECORD:

SMALL BUSINESS AND TARIFF

Oscar Strackbein, of the Joint Labor-Management Council on Foreign Trade Policy, said of "trade, not aid" and the reciprocal trade agreements as they affect small business: that in the abounding propaganda which has covered the country in the last few months on the subject of "Trade, Not Aid," one of the points generally made is that we have nothing to fear from imports, that the United States' producers can out-produce the world.

He said he felt this concept was taken almost entirely from our large mass production industries which can and do out-produce other countries.

Our small industries cannot withstand import competition to the same degree as our larger industries. There is no mystery about this.

The struggle today on the tariff issue is entirely different from what it was 40 or 50 years ago. The tariff was long characterized as the instrument of Wall Street, of the big interests, of concentrated industry.

Now a complete shift has taken place. You find those same big industries which previously were characterized in cartoons as wearing the silk hats and gold chains across the breast, now on the other side. The fox is running with the hounds.

It is small industry, small business, in this country which has the greatest stake in the tariff, and it is no longer big business. A complete change has taken place, and the people do not know it yet. I hope that, in informing you of this, you will tell others about it, because it has become extremely difficult to get our story into the newspapers.

Do not let anybody say that the tariff today is the instrument of big business or of Wall Street, or anything of that kind. The tariff today is the instrument of small and medium-sized business and of agriculture.

LIST OF ORGANIZATIONS REPRESENTED AT MEETING ON TARIFFS AND TRADE, WASHINGTON, D. C., MARCH 5, 1953

Almond Growers Exchange, California.
Band Instrument Manufacturers, Domestic, tariff committee.
Bicycle Institute of America, Inc.
Book Manufacturers' Institute, Inc.
Bookbinders, International Brotherhood of, AFL.
Camillus Cutlery Co.
Cattlemen's Association, American National.
Chemical Manufacturers' Association, Synthetic Organic.
Chemical Workers' Union, International, AFL.
Chemists' Association, Inc., Manufacturing.
Cherry Growers and Industries Foundation.
Maraschino Cherry and Glace Fruit Association.
New York Cherry Growers Association, Inc.
New York State Canners and Freezers Association.
China Association, Inc., The Vitrified.
Coal Association, National.
Cordage Institute.
Cotton Manufacturers Institute, American.
Dairy Industry Committee:
National Cheese Institute.
American Butter Institute.

National Creameries Association.
Milk Industry Foundation, etc.
Diamond Match Co., The.
Fig Institute, California.
Fish Cannery Workers and Fishermen's Union, Pacific Coast, AFL.
Fisheries Association, Massachusetts.
Fishermen's Union, Atlantic, AFL.
Fishery Products Division, National Canners' Association.
Fishing Vessel Owners' Association, Inc., of Seattle.
Florida Fruit & Vegetable Association.
Glass Workers' Union of North America, America Flint, AFL.
Glassware Association, American.
Glove Manufacturers, Inc., National Association of Leather.
Grain Cooperatives, National Federation of.
Handwear Association, American Knit.
Harley-Davidson Motor Co. (motorcycles).
Hat Institute, Inc., The.
Wool Hat Manufacturers Association.
Hatters' Fur Cutters Association of the U. S. A.
Straw Hat Group.
Hatters, Cap, and Millinery Workers' International Union, United, AFL.
Hot House Vegetable Growers, National Association of.
Kimberly Clark Corp. (paper).
Lace Manufacturers Association, Inc., American.
Meat Packers Association, National Independent.
Meat Packers Association, Inc., Western States.
Milk Producers Federation, National.
Mine Workers of America, United.
Mushroom Institute, The.
Nut Growers Association, Northwest.
Oakville Co. Division, Scovill Manufacturing Co. (metal products).
Paper & Pulp Association, American.
Pen & Pencil Association, Fountain.
Petroleum Association of America, Independent.
Photo-Engravers' Union of North America, International, AFL.
Pin, Clip & Fastener Association.
Potters Association, United States.
Regens Lighter Corp. (cigarette lighters).
Renderers Association, National.
Reynolds Metals Co. (Aluminum).
Risdon Manufacturing Co., The (metal and wire goods).
Scientific Apparatus Makers Association.
Seafarers' International Union of North America, AFL.
Seafood Producers' Association of New Bedford, Inc.
Shenango Pottery Co.
Sunkist Growers (citrus).
Tuna Research Foundation.
Vegetable Products, Inc., Basic.
Walnut Growers Association, California.
Wine Institute, The.
Wood screw industry—United States Wood Screw Bureau.
Wool Growers Association, National.
Wool Growers, Pacific.
American Mining Congress.
American Tunaboat Association.
Anthracite Institute.
Clock Manufacturers Association of America, Inc.
National Small Businessmen's Association.
Optical Manufacturers Association.
Southern Coal Association.
United Textile Workers of America, AFL.
United Wall Paper Craftsmen and Workers of North America, AFL.

GIVE THE AMERICAN WORKER AND SMALL BUSINESS AN EVEN BREAK

Mr. MALONE. Mr. President, I close with the statement that I believe we should give the American workingman an even break in his own market. We

should give small business an even break in the American market. We should give the American investors an even break in their own market.

TAX ADVANTAGE FOR FOREIGN INVESTORS

At present there is discussion not only of the advantage of free trade, using the low-cost labor in foreign nations with our know-how and our equipment and importing the goods into this Nation without tariffs or import fees or duties, as the Constitution of the United States calls them, but there is even discussion of a tax advantage for foreign investors.

EXPORTING JOBS TO FOREIGN SOIL

That, of course, would be the last straw. When a man invests his money abroad and takes it away from this country, exporting jobs to foreign soil, and

then we give him a tax advantage, it seems to me that even the past administration would have hidden its head in shame in suggesting any such arrangement.

UNITED STATES TO BECOME A PART OF THE STERLING BLOC

Through our internationally minded State Department, as an agent of Congress, we are moving toward becoming, in effect, a member of the British sterling block nations.

NO HIGH OR LOW TARIFFS

I close by saying that if the Foreign Trade Authority, a reorganized Tariff Commission, should be accepted as a substitute for the pending measure, there would be no discussion of a high tariff or a low tariff.

There would be a flexible import duty or tariff adjusted upon the basis of fair

and reasonable competition, upon the principle of fair trade with foreign nations.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a list of firms and individuals who have registered their opposition to H. R. 5495, as well as a list of firms and individuals who have filed statements and briefs with me opposing free trade.

The PRESIDING OFFICER. There being no objection, the list of firms and individuals will be inserted at this point in the RECORD.

Some briefs and statements opposing the free-trade principle of the 1934 Trade Agreements Act sent from the following companies and organizations to Senator GEORGE W. MALONE, United States Senator from Nevada:

Company	Representative	Product	Company	Representative	Product
American Tariff League.....	Richard H. Anthony.....	Generally against free trade.	Norfolk & Western Ry Co.....	Stuart T. Saunders.....	Coal.
National Federation of Independent Businesses.....	George J. Burger.....	Do.	Pittsburgh Consolidation Coal Co.....	G. A. Lamb.....	Do.
Voland & Sons.....	James O. Jacobson.....	Balances and weights.	Wine Institute.....	Edward W. Wootton.....	Wine and brandy.
Bicycle Institute of America, Inc.....	Ruth M. Herriek.....	Bicycles.	United States Band Instrument Industry.....	Walter W. Mueller.....	Woodwind instruments.
International Photo-Engravers' Union.....	Edward J. Volz.....	Books.	National Wool Growers Association.....	J. M. Jones.....	Wool.
National Cheese Institute, Inc.....	E. W. Gaumnitz.....	Cheese.	Tuna Research Foundation.....	Edwin L. Morris.....	Tuna.
Libby, McNeill & Libby.....	L. J. Stuart.....	Canned fruits and vegetables.	Columbia River Salmon and Tuna Packers Association.....	James H. Cellars.....	Do.
Marashino Cherry & Glace Fruit Association.....	DeWitt C. Reed.....	Cherries.	American Tunaboat Association.....	Harold F. Cary.....	Do.
The Homer Laughlin China Co.....	J. M. Wells.....	China.	Cannery Workers Union of the Pacific.....	James Waugh.....	Do.
Shenango Pottery Co.....	George B. Zahniser.....	Do.	United Wall Paper Craftsmen and Workers of North America.....	M. C. Firestone.....	Wallpaper.
Clothespin Manufacturers of America.....	W. A. Penrose.....	Clothespins.	American Paper and Pulp Association.....	E. W. Tinker.....	Paper pulp.
Chesapeake & Ohio Ry Co.....	Horace L. Walker.....	Coal.	American Glassware Association.....	William F. Dalzell.....	Glassware.
Island Creek Coal Co.....	Rolla D. Campbell.....	Do.	National Association of Leather Glove Manufacturers.....	James H. Casey.....	Gloves.
Anthracite Institute.....	Frank W. Earnest, Jr.....	Do.	American Knit Handwear Association.....	Harry A. Moss, Jr.....	Do.
National Coal Association.....		Do.			

This list of business organizations and firms have registered their opposition to H. R. 5495 and its extension of the free-trade policy:

Name	Organization	Place
Brown, Norman D.....		Smith Valley, Nev.
Cook, Harry H.....	American Flint Glass Workers Union of North America.....	Toledo, Ohio.
Davidson, William H.....	Harley Davidson Motor Co.....	Milwaukee, Wis.
Fuistone, F. M.....		Smith, Nev.
Hodnette, John K.....	Westinghouse Electric Corp.....	Pittsburgh, Pa.
Jackson, Robert C.....	The American Cotton Manufacturers Institute, Inc.....	Washington, D. C.
Johnson, Victor W.....	Oregon Wool Growers Association.....	Pendleton, Oreg.
Murchison, Claudius T.....	(The American Cotton Manufacturers Institute, Inc.....)	Washington, D. C.
Rice, Thomas D.....	(National Council of Farmer Cooperatives.....)	Do.
Swallow, George N.....	Massachusetts Fisheries Association, Inc.....	Boston, Mass.
Wing, W. P.....	United Stockmen's Association.....	Ely, Nev.
	California Wool Growers Association.....	San Francisco, Calif.

CERTAIN TRUST FUNDS HELD BY THE SHOSHONE AND ARAPAHO TRIBES OF THE WIND RIVER RESERVATION

Mr. BARRETT. Mr. President, I ask unanimous consent that Order No. 265, H. R. 444, be included on the call of the calendar on next Monday, notwithstanding the fact that it is not included among the measures to be considered on the call of the calendar on that day.

Mr. KNOWLAND. Will the Senator state the calendar number?

Mr. BARRETT. It is incorrectly shown on today's calendar as No. 365. It should be 265. It is H. R. 444, to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reser-

vation which is to be distributed per capita to individual members of such tribes.

Mr. KNOWLAND. I have no objection.

Mr. HENDRICKSON. I have no objection.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Without objection, it is so ordered.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hendrickson	Millikin
Barrett	Hennings	Monroney
Beall	Hickenlooper	Morse
Bennett	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Neely
Butler, Md.	Humphrey	Pastore
Butler, Nebr.	Hunt	Payne
Byrd	Jackson	Potter
Carlson	Johnson, Colo.	Purtell
Case	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Clements	Kennedy	Saltonstall
Cooper	Kerr	Schoeppel
Cordon	Kilgore	Smathers
Douglas	Knowland	Smith, Maine
Duff	Kuchel	Smith, N. J.
Dworshak	Langer	Sparkman
Ellender	Lehman	Stennis
Ferguson	Long	Symington
Flanders	Magnuson	Taft
George	Malone	Thye
Gillette	Mansfield	Watkins
Goldwater	Martin	Welker
Gore	Maybank	Wiley
Green	McCarran	Williams
Griswold	McCarthy	
Hayden	McClellan	

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). A quorum is present.

The question is on agreeing to the modified amendment of the Senator from Washington [Mr. MAGNUSON], submitted

for himself and other Senators, number "7-1-53-C."

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. MILLIKIN. Is the pending amendment the so-called Magnuson amendment?

The PRESIDING OFFICER. Yes. The question is on agreeing to the modified amendment, identified as "7-1-53-C," offered by the Senator from Washington [Mr. MAGNUSON], for himself and other Senators.

Mr. MILLIKIN. Mr. President, the Magnuson amendment reflects discontent with the administration of section 22 of the Agricultural Adjustment Act. I shall not rub old sores. All I wish to say is that President Eisenhower and the Secretary of Agriculture are very much alert to the need for sustaining the Department of Agriculture's price-support program and other agricultural programs which have the protection of that act against assaults by destructive imports.

For example, on April 10, 1953, the President ordered the Tariff Commission to make an immediate investigation to ascertain whether, if section 104 of the Defense Production Act became ineffective, imports of products covered by that section would be likely to interfere with domestic agriculture programs.

Early in June 1953 the Tariff Commission reported to the President on the following items: Butter, buttermilk, dried whole milk, dried cream, dried skim milk, dried malted milk, compounds of and substitutes for milk, several kinds of cheese—including blue mold, Cheddar, Italian type of cows' milk, Edam, and Gouda; peanuts, peanut oil, flaxseed, linseed oil, tung nuts, and tung oil. The Tariff Commission reported that in each instance imports would tend to interfere with domestic programs, except in the case of tung oil already embargoed from China, the only important source.

On June 8, 1953, the President by proclamation ordered quotas or import fees upon all the above-mentioned products except tung oil and tung nuts, to go into effect on July 1, 1953.

I mention that example to show there is no inaction and no failure of appreciation of the impact of imports upon our domestic agricultural programs.

As another example, let me say that the wool industry is in dire distress. I am authorized to say that the Secretary of Agriculture has requested the President to instruct the Tariff Commission to make a section 22 wool investigation for the current wool year. I am also authorized to say that early next week the President will instruct the Tariff Commission to make that investigation and to report to him.

Moreover, the President will ask the Economic Commission, which will be established by this bill, to study the basic difficulties and predicaments of the wool industry not entirely answered by section 22 action, with the hope that constructive recommendations will be made which will help that important and ailing part of our economy.

The point is that there is no purpose to slough off responsibility under section 22. There is no official insensitivity to the problems of our producer farmers who should have the protection of section 22.

The Senator from Washington [Mr. MAGNUSON] asked the Secretary of Agriculture to comment upon his amendment. In a letter under date of June 30, 1953, to the Senator from Washington, the Secretary of Agriculture analyzed and severely criticized several features of the amendment, which is now before the Senate.

The Senator from Washington made the point that he thought his amendment was in line with testimony which the Secretary of Agriculture had given before the Committee on Agriculture and Forestry.

I now read the letter from the Secretary of Agriculture to the Senator from Washington [Mr. MAGNUSON], under date of June 30, 1953, which is self-explanatory:

DEAR SENATOR MAGNUSON: In response to your letter of June 26, I am glad to give you my views with respect to the proposed amendment to H. R. 5495, attached to your letter.

Your letter refers to appearances which I have made before committees of the Congress and recommendations that section 22 of the Agricultural Adjustment Act be strengthened. I have suggested that section 22 can be made an effective instrument by improved administrative procedures and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section, on an interim basis, pending decision by the Tariff Commission and action by the President. I feel that so strengthened, section 22 would assure the protection of the Department's price support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

The addition of emergency authority above described is the only change that I have suggested in section 22. Such a change does not appear in your proposed amendment.

Mr. President, I should say—and I shall discuss it later—that the Senator from Washington now has language in his proposed amendment touching on that particular criticism. I continue:

The changes in section 22 contained in your proposed amendment appear to be as follows:

1. Makes interference with "the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market places," a basis for action under section 22.

2. Provides that the Secretary of Agriculture report directly to the Tariff Commission rather than to the President, who in turn issues a directive to the Tariff Commission.

3. Provides authority to any interested party to petition the Tariff Commission for section 22 relief and requires an immediate investigation upon filing of such petition.

4. Requires the Tariff Commission to make its report to the President within 6 months after the filing of a petition for investigation.

5. Makes finding of the Tariff Commission that fees and quotas be proclaimed, binding on the President.

The Senator from Washington has made certain changes in his original

amendment, I think, to accommodate that point. The Secretary proceeds:

1. I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price support legislation is now under review. One of the basic questions is how full parity is to be achieved. In addition, we must not overlook the effects of section 22 actions on international trade objectives. One of our current problems in agriculture stems from declining export markets. It would seem advisable that this proposal be submitted to the Commission on Foreign Economic Policy provided for in H. R. 5495, now pending before the Senate. I believe this, together with other proposals for improving legislation relating to foreign trade, should be thoroughly studied by the proposed Commission before being incorporated in the statutes.

2. I believe it is unwise to exclude the President from participation in the determinations and directions with respect to the institution of an investigation under section 22. When a section 22 investigation is instituted by the Tariff Commission, the Secretary of Agriculture and his representatives appear as a party to that proceeding. They appear for the purpose of protecting the Department's price support and other programs, as well as for the purpose of aiding the Tariff Commission in its investigation. The Department is thus an interested party. It seems to me unwise that such a party should be granted the sole authority to direct the Tariff Commission to institute the investigation. Such a function is more appropriately exercised by the Chief Executive of the Government who does not subsequently appear in the Tariff Commission proceeding as an interested party.

3. I believe it would be unwise to allow applications for section 22 investigations to be filed directly with the Tariff Commission by any party, in view of the requirement that the Commission thereupon begin an immediate investigation.

I interpolate to say it is perfectly apparent that all sorts of requests for investigations could be expected to be made, many of them without the slightest foundation; many of them having crank significance, many of them in bad faith.

The Secretary goes on to say:

I believe there should be some screening authority. If applications are to be filed with the Tariff Commission, that Commission should have discretion in determining whether to proceed with an investigation upon such an application. I believe the present procedure is preferable. That requires interested parties to file their application with the Secretary of Agriculture and the Department, after investigation, determines whether there is sufficient basis for the belief that imports are interfering with departmental programs to warrant recommendation that an investigation be instituted. Such screening procedure appears to be desirable, in view of the fact that when the President directs the Tariff Commission to institute a section 22 investigation, the Commission is required to institute the investigation immediately.

4. I doubt the wisdom of a rigid requirement that these investigations of the Tariff Commission must be completed within 6 months of the filing of an application. There may well be cases when all parties, including the Commission, would agree that further time was desirable. After the institution of an investigation, conditions may change, making it desirable that proceedings in the investigation be suspended for a

time. Rather than imposing a rigid requirement of this kind, I would favor the strengthening of section 22 by providing authority for emergency action along the lines above suggested. With such emergency authority, there would be no need for a requirement that the Commission render its report within any prescribed period of time.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. THYE. Does the Senator from Colorado propose that such emergency authority be placed in the present Reciprocal Trade Agreements Act by amendment?

Mr. MILLIKIN. Personally I would prefer that it not be. I think all these matters ought to be studied by the appropriate agricultural committees.

Mr. THYE. There is a mere reference to an emergency authority. Would that be available now, administratively, if it were desired to use it administratively?

Mr. MILLIKIN. I assume from what the Secretary says that he does not consider that he can act with the speed with which he would like to act in such emergencies. I should say that I would not object strongly. In fact I am willing to say that, if the amendment here proposed were confined to the field in which the Secretary thinks there should be emergency legislation, I would urge that it should go to conference.

Mr. THYE. Mr. President, if the Senator will yield further for a very brief comment on this subject, I may say that earlier this year the Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry and made mention of the cumbersome section 22 of the Reciprocal Trade Agreements Act, and of the fact that too great a delay was entailed in going through the necessary processes prescribed by section 22 so that oftentimes imports which could be disastrous to our entire agricultural economy would continue because the machinery of section 22 could not be set in motion to achieve some sort of embargo against them.

I know we discussed it, and for that reason proposed legislation was introduced, upon which no action has been taken. I have seen a proposed amendment which is to be offered by the Senator from Oregon [Mr. CORDON]. The only reason I make mention of it is that I must leave the Chamber by 5 o'clock, and I cannot be present to participate in the vote, but I want it to be known to all Members of the Senate, that if the emergency proposal, which I know is contained in the amendment of the Senator from Oregon should be offered, I would if present vote for it, because I think it constitutes an emergency safeguard which is needed and which will permit immediate and speedy action under section 22 which that section does not at present provide.

I hope the proposal offered by the distinguished Senator from Oregon will be acted on favorably, and then we shall have within section 22 what is necessary to make it administratively effective.

Mr. CASE. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. CASE. What does the Senator for Colorado understand to be the definition of "any interested party"?

Mr. MILLIKIN. I take it, it is the business of the Secretary of Agriculture and the Department of Agriculture to devote themselves to the protection of the farmers' interest—

Mr. CASE. Mr. President, I am interested in the use of the term "interested party," as used in the amendment, where it is stated that the Secretary of Agriculture shall and any interested party may petition the Tariff Commission.

Mr. MILLIKIN. I beg the Senator's pardon. I thought he was referring to the letter of the Secretary of Agriculture. So far as the language in the Magnuson amendment is concerned, I think there is a serious defect there, as was pointed out by the Secretary of Agriculture, because anyone claiming interest can come forward with an application for an investigation. The entire processes and working abilities of the Department could be swamped. Capricious applications could be made. Persons could make senseless applications which should be dismissed as soon as they were read. On the other hand, there would be some legitimate applications, perhaps many of them. But someone must obviously screen all of them.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. MAGNUSON. Mr. President, I merely want to say that that is true of any legislation we might pass. Anyone may file an application, under the law, before the Interstate Commerce Commission, the Federal Communications Commission, the Civil Aeronautics Board, or any other commission; but the commissions themselves establish rules and regulations which require a certain background before an application is given consideration. In this particular amendment we merely follow the procedure which has been followed in all Government commissions, such as the Tariff Commission, and prescribe that they establish their own rules and regulations as to the applicant and as to whether his application is capricious. The term "interested party" is used in all types of legislation. An interested party might be a farm group or a business group.

Mr. MILLIKIN. Unless there is a purpose to broaden the applications which the Secretary of Agriculture may now receive, there is no point to the language in the Senator's amendment.

Mr. President, I continue to read from the letter of the Secretary of Agriculture to the Senator from Washington:

(5) Under the present law, the President proclaims such fees and quantitative limitations as he finds are shown to be necessary by the investigation and report of the Tariff Commission. This permits an independent review of the facts by the President which is not afforded by your amendment. I believe that the President should not be excluded from participation in the determination of the changes affecting international trade which result from section 22 actions.

For the foregoing reasons it is my view that there is no need at this time for the

changes in section 22 which your amendment proposes. I believe that a strengthened section 22 would be adequate to protect the departmental programs at least during the coming year when it is expected that the whole matter will be under review and study by the Commission on Foreign Economic Policy which the legislation now pending before you will create. The prompt and effective action recently taken in connection with dairy products and certain other commodities—

I again interpolate to say that I read those products a little while ago—

heretofore subject to import control under section 104 of the Defense Production Act demonstrates the efficacy of the present section 22 procedure.

Mr. President, I interpolate again to say that the action the President will take early next week with respect to wool is a further demonstration.

I read further:

If we can be of any further service to you, please feel free to call upon us.

Mr. President, in view of the criticisms of the Secretary of Agriculture, which seem to me to be valid and which have been met in the amendment of the Senator from Washington only in the respects which I have mentioned, leaving unsatisfied three or four other important criticisms, the Senate should not adopt the amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I have not yet finished.

I yield to the distinguished Senator from Oregon [Mr. CORDON].

Mr. CORDON. Mr. President, I would inquire of the Senator from Colorado—

Mr. MAGNUSON. Mr. President, I do not know what kind of procedure this is.

Mr. MILLIKIN. I thought the Senator from Oregon asked me to yield.

Mr. MAGNUSON. Does the Senator still claim the floor?

Mr. MILLIKIN. I claim the floor and would ask the Senator from Oregon if he desires me to yield.

Mr. CORDON. I desire to ask a question on the subject matter.

Mr. MILLIKIN. I yield for that purpose.

Mr. CORDON. Would the views of the Secretary of Agriculture be met by an amendment to the pending bill that would provide the type of authority for emergency action which the Secretary has indicated as most needed and desirable at this time, and with no further provision than that?

Mr. MILLIKIN. I would certainly answer the question in the affirmative. That is the only thing in which the Secretary of Agriculture seems to be interested and seems to want to have done in the near future.

Mr. CORDON. Mr. President, I desire presently to have the floor in my own right, but I believe the Senator from Washington had tentative recognition, and I certainly do not want to dispute him. I desire in due time to offer an amendment with which the Senator is acquainted.

Mr. MAGNUSON. Mr. President, I appreciate the Senator's statement. I merely wanted to have the floor at this

time in view of what the distinguished Senator from Colorado said with regard to the Secretary's letter. I placed that letter in the RECORD this morning and discussed portions of it at some length. It is sort of an odd reply after reading his testimony given a few days ago before various committees of the Senate.

However, I think that the major objection the Senator now speaks of has been taken care of. One of his objections was that advice or action by the President on this matter was not included. That has been taken care of in the amendment.

The second question was whether the applications should be screened. I cannot see valid objection to any bill that says an interested party, a citizen of the United States, shall have the right to file an application. Whether or not the application will be acted upon or investigated depends upon the rules and regulations of the Tariff Commission, which the Commission is empowered to make by the amendment itself.

All commissions of the Government make rules and regulations. One can make an application before any commission, but that does not mean the commission will give full consideration and make a full investigation. I assume the commission would determine that itself. So I cannot see any valid objection on that score.

The Senator objects to the limitation of 6 months. One of the real reasons for the amendment, and one of the real reasons for strengthening section 22, is to simplify procedure. The Secretary of Agriculture himself testified to the effect that the procedure was cumbersome. The reason it has been cumbersome is the length of time it has taken to obtain action.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. The Senator's amendment, after reciting the preliminaries leading to this language, says:

The Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts.

Mr. MAGNUSON. If the Senator will read further on page 2, in line 25, he will see that the Tariff Commission is empowered to establish rules and regulations in regard to the applications.

Mr. MILLIKIN. But the language still remains that an investigation shall be made. Under the mandate to make an investigation, when the investigation is made there are some rules for conducting it.

Mr. MAGNUSON. If the Senator will examine the organic acts creating other commissions, he will see that the same thing is true. The Interstate Commerce Commission, the Federal Trade Commission, and other commissions, have authority delegated to them to make investigations if an interested party desires to proceed, but it does not mean that the Commission makes a long investiga-

tion. Sometimes the application is denied on its face.

Mr. MILLIKIN. The Senator's amendment says that on application by the Secretary of Agriculture or any interested party, an investigation shall be made. The amendment does not give discretion; it provides that an investigation shall be made.

Mr. MAGNUSON. I shall be glad to delete the words "interested party," and use some other language that would prevent capriciousness, because I should think the rules and regulations of the Tariff Commission, which the Commission is empowered to establish under the act, would take care of that.

I could file a petition with the Federal Trade Commission, the Interstate Commerce Commission, or some other commission, and the Commission would be empowered under its rules and regulations, provided for in its organic act, to determine whether the petition was capricious. Sometimes an investigation of the application is made on its face, and the application is denied.

Mr. MILLIKIN. I am not questioning the Senator's purposes.

Mr. MAGNUSON. I understand.

Mr. MILLIKIN. But I submit that if he did not intend to change the rule as it exists, he would not have changed the language. At present an applicant can file a petition with the Secretary of Agriculture, but the Secretary of Agriculture at present is not required to conduct an investigation. That is the difference.

Mr. MAGNUSON. In answering the letter or acknowledging receipt of a petition to begin an investigation, the Secretary may deny the application at once. That is true of all commissions.

Mr. MILLIKIN. Perhaps the best judgment would be that of the Secretary of Agriculture, and the Secretary has pointed out the criticisms which I have voiced.

Mr. MAGNUSON. I wish I could agree with the Senator that the Secretary is a good judge of this question.

Referring again to the 6 months' time limitation, I think it is one of the merits of the amendment, that determination will be made in a reasonable time, and will not run on for 18 or 20 months, or sometimes 3 or 4 years.

The Secretary of Agriculture has said that perhaps the Commission would not want to make its determination in 6 months. Perhaps both parties would agree that they did not want a determination in that time. All they would have to do would be to say, "We have agreed not to have a determination within the time limit. There should not be any criticism. We have agreed. We are before the quasi board or Commission, but we have all agreed to waive the 6 months' limitation."

That would be sufficient.

Mr. MILLIKIN. I suggest there is grave doubt whether when the law says that one shall do something within 6 months, 2 parties can get together by themselves behind an ash can in the alley and say they will not pay any attention to it.

Mr. MAGNUSON. They will not be behind any ash can in an alley. When anyone goes before the Tariff Commis-

sion on a matter such as this, he will be up front, shouting, on the main street. If the parties desire to agree that a matter should go over, the Tariff Commission would have a right to say that it should go over. That would satisfy the requirement that the Commission make a determination within 6 months.

As has been pointed out by the Senator from Colorado, there is another very important section of the amendment which was mentioned by the Senator from Minnesota, namely, the emergency clause, which is also, I believe, going to be included in the amendment to be offered by the Senator from Oregon [Mr. CORDON].

Of course, that was taken from the testimony before the Committee on Agriculture and was also the subject of a piece of legislation introduced, I believe, by the Senator from Vermont [Mr. AIKEN] and the Senator from Florida [Mr. HOLLAND] on the subject of emergency matters. So that is quite important.

I cannot quite understand the suggestion of the Secretary. I do not think he made any serious criticisms. He suggested that section 22 be strengthened. He said in his letter a few days later that he did not think it should be broadened. I do not believe the amendment broadens section 22; I think it simplifies it. I believe it will help the administration do what the Senator from Colorado has suggested, and I am very much pleased to hear that the committee will do something about these things.

The letter of the Secretary of Agriculture, which I placed in the RECORD and discussed at some length this morning, in some cases completely reverses, in a general way, what the Secretary said a few weeks ago before the Committee on Agriculture. I think his fears regarding the 6 months limitation are somewhat unfounded. If he is sincere in wanting to do something about section 22, here is a chance to do it.

Perhaps there may be in the amendments some language the Senator from Colorado and I might not agree upon, but that is a matter that could go to conference. I am certain that the objective of all of us is the same. I think that even the Secretary of Agriculture wants a simplified section 22. I think he wants an emergency clause. I think he wants to have the procedure such that there can be relief granted where there is merit.

Mr. MILLIKIN. It seems to me the test of whether there should be a change in the law is whether the law is working properly. The President and the Secretary of Agriculture have given proof that they can act quickly. They ordered 16 investigations, and acted upon them within 2½ months. That is the kind of action we have been praying for. Now we are getting it. We are getting it with respect to wool.

When we are getting the kind of action we want, there is not a great deal of urgency about changing the law. As I understand from the Senator from Oregon [Mr. CORDON], he intends to propose an amendment which would take care of what the Secretary of Agricul-

ture thinks would help him in emergency cases.

Mr. MAGNUSON. Mr. President, I think the emergency question is an important segment, but that would be new legislation. I cannot agree with the Senator from Colorado, even assuming that something has been done already under the procedures of section 22, that the kind of action we want, or the kind of action we could get under the proposed amendment would not be better in the protection of our agricultural industry. I am pleased to know that something is being done, and I am pleased to know that it is intended that some action be taken with respect to wool. That is a serious matter.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MUNDT. It seems to me that the Senator from Colorado [Mr. MILLIKIN] has placed undue emphasis on the fact that the proposed amendment suggests that any interested party may petition the United States Tariff Commission to make an immediate investigation, and that an immediate investigation will follow. I am sure that none of us wants to deny to any interested party the right to petition the Tariff Commission for redress, or for the correction of difficulties.

I think we can agree also that under this amendment the Tariff Commission would continue to maintain control of its operations. It would continue to define what is an investigation. It would set the time limit. The case might involve a quick reading of some report and an immediate reply. It might require several months. However, I think no one will challenge the fact that there is nothing in the amendment which spells out the detail or scope of an investigation which might be proposed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I think what I shall do is yield the floor, so that I will not be guilty of what I suggested was going on.

Mr. MILLIKIN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Washington still has the floor if he claims it.

Mr. MUNDT. Mr. President, I should like to be recognized long enough to suggest a possible modification in the amendment offered by the Senator from Washington.

Mr. MAGNUSON. I yield to the Senator from South Dakota.

Mr. MUNDT. If the Senator will yield to me also to propound a question to the Senator from Colorado, I should appreciate it.

The PRESIDING OFFICER. Let the Chair state the parliamentary situation.

The Senator from Washington has the floor at this time, and has yielded for certain purposes to the Senator from South Dakota. What does the Senator from Washington wish to do further in connection with that request?

Mr. MAGNUSON. Mr. President, I was in conversation with the Senator from Missouri [Mr. HENNINGS]. I was inquiring whether he wished to speak on

the bill. He must meet a deadline, so I will yield to him.

The PRESIDING OFFICER. The Chair reminds the Senator from Washington that he has already yielded to the Senator from South Dakota. Does he wish to withdraw that yielding?

Mr. CORDON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. I make the point of order that the Senator from Washington has lost the floor. The Senator from Washington has yielded beyond his right under the rules, and has therefore lost the floor.

Mr. MUNDT. Mr. President, I should like to be heard on the point of order, because I was about to ask a question in conformity with parliamentary procedure.

Mr. MAGNUSON. Mr. President—

Mr. CORDON. Mr. President, a point of order.

Mr. MAGNUSON. Mr. President, I had forgotten that I had promised the Senator from Missouri I would yield to him. I was trying to protect my promise to him. However, if the Senator from Oregon wishes me to take my seat, I shall be glad to do so.

Mr. CORDON. I shall be happy to withdraw the point of order if we can only have order, and move along.

The PRESIDING OFFICER. Technically the Senator from Washington still has the floor, and up to this moment has yielded to the Senator from South Dakota. Does the Senator from Washington desire to withdraw that yielding?

Mr. MAGNUSON. I yield to the Senator from South Dakota for a question.

Mr. MUNDT. Mr. President, I wonder if the Senator from Washington would consider modifying the amendment on page 2, in lines 19 and 20, by striking out the word "immediate." It would then read:

And any interested party may, petition the United States Tariff Commission to make an investigation. Upon receipt of any such petition an investigation shall be made by the United States Tariff Commission—

And so forth. It seems to me that would remove from the argument any strength of rebuttal which has been injected into it in that connection by the distinguished Senator from Colorado.

Mr. MAGNUSON. Mr. President, in answer to the Senator from South Dakota, I will say that I would have no objection to the suggested modification. The only reason for using the word "immediate" and in providing the 6-month limitation was the hope that we might be able to speed up some of the procedures. If the suggested modification would not affect the 6-months period, I should be glad to accept the modification.

Mr. MUNDT. It would leave the latitude in the hands of the Commission, where it rightfully belongs.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. I should like to point out that even if we eliminate the word "immediate," if a petition is filed, the result is an obligation to make an inves-

tigation. There are no "ifs," "buts," or "maybes" about it.

Mr. MAGNUSON. I cannot agree with the Senator from Colorado on that point.

Mr. MILLIKIN. That is what the language says.

Mr. MAGNUSON. The language is basic, and the literal interpretation has always been that the agency would proceed with the investigation. Even the denial of an application by letter, if it came within the rules, would be action upon the application. That is true in connection with the procedures of all commissions.

Mr. HENNINGS. Mr. President—

Mr. MAGNUSON. I now yield to the Senator from Missouri.

The PRESIDING OFFICER. For what purpose does the Senator yield to the Senator from Missouri? Does he yield for a question?

Mr. HENNINGS. For the purpose of submitting a concurrent resolution, and a unanimous-consent request.

Mr. MAGNUSON. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Washington ask unanimous consent that he may yield for the purpose without losing the floor?

Mr. MAGNUSON. I do.

The PRESIDING OFFICER. Is there objection?

Mr. CORDON. Mr. President, reserving the right to object, does the Senator from Missouri desire to take only time enough to submit his concurrent resolution?

Mr. HENNINGS. I shall require no more than 1 minute.

Mr. CORDON. I have no objection.

The PRESIDING OFFICER. The Senator may proceed.

(At this point Mr. HENNINGS submitted a concurrent resolution on the subject of the removal of books and other exchange media from United States Information Centers, together with a statement for printing in the RECORD. The matters referred to appear elsewhere in today's proceedings under the appropriate heading.)

Mr. MAGNUSON. Mr. President, that is all I have to say on the subject. I wish to conclude merely by saying that I cannot quite agree with some of the interpretations of the language in the amendment. Time and time again, the Secretary has expressed his desire to strengthen section 22. I think this amendment would simplify the whole reciprocal trade program. It would aid it. It would simplify many cumbersome procedures. If the present administration intends to go ahead, as is suggested by the Senator from Colorado, I think the amendment would help it do a better job in this field.

As I said earlier today, this is a question which has been before the Senate on many occasions. This provision has been twice approved by the Senate. I believe that all Senators on the other side of the aisle voted for it on both occasions. This is the same amendment. It has the same purposes and objectives. I hope the Senate will agree to it, and that it will be taken to conference, where it can be discussed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield the floor.

The PRESIDING OFFICER. Is the Senator from Washington under the impression that he has modified his amendment? The Chair does not so understand.

Mr. MAGNUSON. The Senator from South Dakota [Mr. MUNDT] suggested that I modify it by striking out the word "immediate" in lines 19 and 20 on page 2.

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

Mr. CORDON obtained the floor.

Mr. HUNT. Mr. President, will the Senator from Oregon yield to me so that I may ask the chairman of the committee a question?

Mr. CORDON. Mr. President, I ask unanimous consent that I may yield to the Senator from Wyoming for that purpose without losing the floor.

The PRESIDING OFFICER. Without objection, the Senator may yield for that purpose.

Mr. HUNT. Mr. President, will the distinguished chairman of the committee be kind enough to restate the promise or the commitment made with reference to wool?

Mr. MILLIKIN. I shall be very glad to do so. The Secretary of Agriculture has informed me that he has requested the President to instruct the Tariff Commission promptly to institute an investigation in connection with wool, under section 22 of the Agricultural Adjustment Act.

The White House informs me—and has said that I might disclose the fact—that early next week the President will instruct the Tariff Commission to make that investigation for the current wool year, and that the President will also bring the whole wool problem before the Economic Commission, which is provided for in the pending bill. The President believes there are some basic things, not fully answered by section 22 action, which are troubling the wool industry, and he hopes for some constructive suggestions along that line.

Mr. HUNT. Mr. President, I thank the distinguished chairman of the committee for repeating that statement. I also wish to express the appreciation of the wool growers of Wyoming to the President for the immediate action which he promises to take.

Mr. CORDON. Mr. President, I ask that the amendment, in the nature of a substitute, which I have sent to the desk, be stated.

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). The amendment will be stated.

The CHIEF CLERK. In lieu of the language proposed by the Senator from Washington [Mr. MAGNUSON] insert the following:

SEC. . Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, as amended, is amended by adding at the end thereof the following:

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

Mr. CORDON. Mr. President, let me say, first, that I make no claim of authorship of the language of the amendment; nor did I originate the thought. I have discussed its contents with the Senator from Washington [Mr. MAGNUSON]. I had hoped that we might have a meeting of minds, and that he would be willing to accept this particular provision in lieu of the total provision in his amendment.

He felt that the circumstances were such that he could not do it. So I am offering the amendment now in the nature of a substitute, solely for the purpose of getting the amendment in the right place in the pending bill, and in the right place in section 22 of the Agricultural Adjustment Act, if my motion prevails.

The language which I offer is the language contained in the last paragraph of the amendment offered by the Senator from Washington [Mr. MAGNUSON]. It is the language which appears in a bill which has been introduced by the Senator from Vermont [Mr. AIKEN] and cosponsored by the Senator from Florida [Mr. HOLLAND] and which I believe is now pending before the Committee on Agriculture and Forestry.

The bill was a direct answer to the appearance before the Committee on Agriculture and Forestry of the Secretary of Agriculture, at which time, in what I took to be his formal presentation before the Committee on Agriculture and Forestry, he called attention to the need for additional legislation amending section 22 of the Agricultural Adjustment Act and conferring power on the Chief Executive to act immediately in cases of emergency, and to impose either additional import duties or to impose quotas in cases where such action was needed before the Tariff Commission could go through the processes of an investigation and a report.

I shall read what the Secretary said on that subject. It is found on page 14 of the hearings before the Committee on Agriculture and Forestry of the United States Senate, 83d Congress. The hearings were held from April 10 through April 17 of this year. I quote from the statement of the Secretary of Agriculture, Mr. Benson:

As I have already shown, section 22 has not been administered in the past in such a manner as to meet the problem. But it can be made an effective instrument by improved administrative procedure and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section, on an interim basis pending decision by the Tariff Commission and action thereon by the President.

I interpolate to call particular attention to the concluding sentence of the paragraph:

So strengthened, section 22 would assure the protection of the Department's price-support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

Mr. President, it seems to me that the extent to which we ought to go in connection with the extension of the Reciprocal Trade Agreements Act for another year is to provide such implementation as is absolutely essential, so that emergencies which arise as a result of any so-called dumping, or any type of excessive import of agricultural supplies and products, can be met immediately, without going through any process, either processes contemplated, on the one hand, in the bill, or any shorter processes contemplated in the amendment of the Senator from Washington, on the other hand. In such cases immediate action is needed.

I wish to say that this language appears in the amendment of the Senator from Washington. I have supported him in the past in proposals to put teeth into section 22, in an effort to get something in the way of a law which had mandatory provisions, and upon which the agriculture of the country could rely.

If we cannot work out such a plan as is now proposed, and if the new economic commission does not come up with what appears to me to be some sound answers, I will be found again with the Senator from Washington, if he still maintain his views, fighting with him to have enacted into law in another session some such amendment as he proposes.

I have no criticism to make of the decision he has made. I am in agreement with him. I am merely suggesting that what I have proposed seems to me to be what is needed until we can have a complete "look see" and until a complete study can be made and a report submitted, and then full hearings and final action.

The emergency provision, in my opinion, is all we need now.

I do not want to be critical, but nevertheless I desire to call attention to what I believe to be 1 or 2 bad spots in the Senator's amendment. I call attention to them because, while I favor the basic proposition he is presenting, I realize that his amendment has not had the study which I believe it should have had before it was submitted on the Senate floor for debate.

The Senator from Colorado very properly, and I believe wholly accurately from a legal standpoint, called attention to the fact that the provisions are mandatory with respect to action by the Secretary of Agriculture. In the first instance, while they are discretionary with respect to action by other interested persons, they are mandatory as to what the Tariff Commission shall do. The Tariff Commission may, even without express direction, make such rules and regulations as are necessary to carry on its business in an orderly fashion, but it cannot make rules and regulations which repeal a provision of law.

Consequently, the requirement that the Tariff Commission proceed with its

investigation and finish it within 6 months is a mandatory provision, and rules and regulations cannot change that fact. The Commission must go forward. The only answer that could be made would be the answer that might well arise as a result of so many applications being filed by so many interested parties that the Commission would be overwhelmed and could not dot its job.

Mr. President, that would militate against every application that had been filed, including any application by the Secretary of Agriculture. The Commission would not have any discretion in that field, if a petition which was filed were to set forth the jurisdictional facts called for and referred to in this amendment. That is horn-book law.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. Does not the Senator from Oregon think he is becoming a little excited about the application of the words "interested party"?

The same situation exists in the case of all commissions. They are not overwhelmed by capricious applications. This amendment merely would provide the application procedure which is applicable to all commissions. I do not think the amendment would result in bogging down the Commission in any way. The rules and regulations of the Commission could take care of that situation.

Mr. CORDON. The Senator from Washington overlooks the fact that in the amendment he sets a time limit in respect to the Tariff Commission itself.

Mr. MAGNUSON. That is what we want.

Mr. CORDON. Ordinarily when petitions are filed, they take an orderly course. It might be weeks or it might be months before the last of the petitions filed on a given day was reached, even for consideration. However, the amendment of the Senator from Washington requires that all petitions be taken up forthwith, and that investigations and examinations be made and reported on within 6 months. As a result, if 6 applications were filed on 1 day, the examination in connection with one of them would have to begin at once; the examinations in connection with the other 5 would have to be completed by the cut-off date; and the reports on all 6 of them would have to be made by the cut-off date. In the case of a following group of applications, a similar procedure would have to be followed under mandate of the Congress.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield.

Mr. PASTORE. Does the amendment of the Senator from Washington apply only to agricultural products; or does it apply to all products?

Mr. CORDON. It applies only to agricultural products.

Mr. PASTORE. Why does it not apply to all products?

Mr. CORDON. Because it is an amendment to section 22 of the Agricultural Adjustment Act, which itself applies only to agricultural products.

Mr. BARRETT. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I am glad to yield.

Mr. BARRETT. I should like to have the Senator from Oregon tell me precisely what is meant by the phrase in his amendment which reads "that a condition exists requiring emergency treatment."

In order that the Senator from Oregon may understand exactly what I have in mind, I call attention to the fact that the wool production of this country last year amounted to 232 million pounds. The consumption of wool in the United States in the same year was 825 million pounds. Wool was supported under the support program. The Commodity Credit Corporation was called upon to make loans on 125 million pounds of the 1953 clip, or more than one-half of all wool produced in the United States. The Commodity Credit Corporation took title to most of that wool, during the latter part of May of this year, because it was impossible to sell it for more than the loan. Foreign wool flooded the markets of this country and took over and preempted the market entirely.

Mr. President, nearly the same facts apply to the wool produced in this country during 1951. In that year our domestic production was 240 million pounds of wool. We consumed 875 million pounds of wool in America that year. On the other hand, more than one-half of all the wool produced in America that year is still owned by American citizens and unsold; and, on the other hand, 557 million pounds of foreign wool was dumped on our markets.

Mr. President, let me remind the Senate that the sheep business of this country is in terrible shape. In 1942 we had a sheep population of 46 million head. Today we have 27 million sheep. We produced 450 million pounds of wool in this country in 1942, and today we produce just about half that amount of wool. Yet our domestic producers are unable to sell their wool in competition with foreign producers. Is it not strange that in our own markets, that consumed 700 or 800 million pounds of wool, our domestic wool producers could not sell 230 million pounds, in preference to foreign producers?

If you wonder why Mr. President, I can tell you that according to the Bureau of Agricultural Economics, the total out-of-pocket cost of carrying a ewe per year in the 11 Western States is \$8.45 per head, compared to a total annual cost in Australia of \$1.91.

My question is this: Is such a condition one which, in the judgment of the Senator, would require action under the emergency clause of his amendment?

Mr. CORDON. Let me say to the Senator from Wyoming that to my mind he has certainly spelled out an emergency. However, I will not make the determination when the time comes.

Mr. BARRETT. I appreciate that I will say to the distinguished Senator; but I am sure it will have great weight if the question should arise.

Mr. CORDON. Of course it is a matter of sound judgment on the part of the executive department. The facts in each case would have to be carefully examined. In this instance the decision would, of course, be that the Secretary

of Agriculture, in the first instance, in presenting to the President his conclusion that an emergency existed; and the final decision would be made by the President, on the basis of the application made by the Secretary of Agriculture.

I can only say that both have the confidence of the American people. Both are able men. If we cannot trust men of that type, who are at the top, we should replace them with men we can trust. I cannot give a clearer explanation than the one I have given.

Mr. BARRETT. Mr. President, will the Senator from Oregon yield further to me?

Mr. CORDON. I yield for a question.

Mr. BARRETT. I wish to thank the Senator from Oregon for his comments. I feel precisely as he does.

I may say that the last Secretary of Agriculture so felt, and he made such a complaint to the President, and requested the making of an investigation by the Tariff Commission.

As the junior Senator from Colorado indicated just a moment ago, the present Secretary of Agriculture this week made such a finding and made a request of the President of the United States, and the President is going to act upon it, as I understand, next week.

So it seems to me the language is clear and unequivocal; and it seems to me that the situation confronting the wool industry of America constitutes an emergency and requires drastic action if it is to be corrected.

If I may trespass a moment longer on the time of the Senator, let me quote the language of the Department of Agriculture in its 1951 yearbook on the wool industry:

We want to keep our wool industry vigorous because wool is essential to our national health and security; the Armed Forces consider wool a strategic and essential material. Domestic wool production, even in peacetime, has never been equal to consumption. Normally we produce only from one-fourth to one-third of our total requirements. To meet any emergency we should produce at least two-thirds of our normal requirements of apparel wool.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield for a question.

Mr. WATKINS. I should like to be associated with the remarks of the Senator from Wyoming in respect to wool.

In Utah a similar situation prevails. The wool growers there have communicated with me and the other members of the Utah Congressional delegation, and have urged us to support an amendment of this kind.

I wish to be sure and they wish to be sure that in the opinion of those who are proposing the amendment there is contemplated a situation such as that now existing with respect to the wool industry because of the lack of sales and low prices which are inadequate to support the industry. If that is the understanding, and if a situation of that kind is had in mind in connection with offering the amendment, then the legislative history will help considerably in getting something done in that field.

Mr. CORDON. Mr. President, I appreciate very much the statement the

Senator from Utah has made. Of course, he is a distinguished lawyer in his own right, and he fully understands the meaning and intent of the language of the amendment. He is better acquainted than I am with the genesis of the language in the hearings before the Committee on Agriculture and Forestry.

I feel that the language is clear and means what it says. I do not wish to mislead anyone. I could not mislead the Senator from Utah in this matter if I tried, and I do not wish to try. I desire it to be understood that in the last analysis, what constitutes an emergency, under the language of the amendment, would be what the Secretary of Agriculture felt was an emergency and what the President felt was an emergency, after hearing from the Secretary of Agriculture. That is as far as we can go if we are to leave this matter in the discretionary field, where I believe it must be.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield further to me?

Mr. CORDON. I yield.

Mr. WATKINS. I should like to call attention to the fact that at the hearing held by the Senate Committee on Agriculture and Forestry the committee received testimony to the effect that in five typical sheep outfits, last year there was a loss of \$5.31 per head in the operation. That was mainly because of the failure to sell the wool at an adequate price or, in fact, to sell it at all.

In that situation the Senator from Oregon can understand that we are interested in knowing whether that is the kind of emergency which can be taken care of under this amendment.

Mr. CORDON. That it can be there can be no question.

Mr. President, I do not wish to take up too much time. I know that all Members are anxious to leave.

I desire, however, to indicate several other portions of the amendment of the Senator from Washington which I believe to be questionable, and I shall indicate them solely because I believe that ultimately this type of proposed law should be considered by a committee, where it could be worked over carefully, for we want legislation of a type that will be workable before we put it on the statute books.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield at this point?

Mr. CORDON. I yield.

Mr. MAGNUSON. What does the Senator from Oregon mean by his use of the word "questionable"?

Mr. CORDON. I mean questionable as to their practicality only.

Mr. MAGNUSON. I see. I believe the Senator should make that clear.

Mr. CORDON. I believe it is clear. I do not raise any question regarding the Senator from Washington. I have already stated that I have worked with him, and I would work with him again. I would not stand on the floor and raise a question to which both of us would be subject. When I question the language of the amendment, I do so be-

cause it seems to me there is doubt as to its meaning; and if we can agree on the meaning of the amendment, then there is doubt as to whether it can do the job that is sought to be done by means of it.

The Senator from Washington has modified his own amendment, so as to provide that the President must find the existence of adequate facts, after he receives a report from the Tariff Commission, at the conclusion of one of these investigations. The amendment fails to indicate any time limit. So if the President were so inclined, he might take another 6 months to make up his mind. Once he has made his finding, then, under the language of the amendment, he must act within 30 days. I want it to be understood that I do not believe any President would violate the spirit of an act.

I simply call attention to the fact that it is a matter that ought to be corrected. It is a mistake in language. There is, however, one thing which bothers me particularly, and which I hope will receive attention at the proper time. As the amendment of the Senator from Washington now stands, after having been modified, it provides that, while the President may use his own judgment as to whether the facts presented are sufficient to require action by him—and he, of course, must depend upon the report of the Tariff Commission for his information—and while he has the election to say that there are sufficient facts or that there are not sufficient facts once he has concluded that the facts warrant action, he is then committed not to use his judgment as to what action he shall take, but to accept at that time the conclusions of the Tariff Commission. If the finding and report is made to him, and in that finding and report, after setting forth facts, the Tariff Commission says, in substance, "We recommend that the import quota be increased by 30 percent or 40 percent" or any other percent up to the 50 percent provided—"we recommend that the quota be cut from 100,000 tons a month to 2 tons a month," or to any other number of tons, the President must then implement his decision with that particular, special, exact provision. He cannot use his judgment with respect to the remedy he imposes.

Mr. President, I think that is a bad provision of the amendment which ought to be corrected, but, if and when we get to it, we follow generally the basic proposition outlined in the Senator's amendment. I want to say that I shall look with favor upon it.

Mr. President, in offering my substitute, I may say it is, in words, the last paragraph of the amendment of the Senator from Washington. It is the exact wording of the bill of the Senator from Vermont and the Senator from Florida. It is in exact accord with the expressed views of the Secretary of Agriculture. I believe that, if my substitute shall be adopted, there will be at least an even chance, and I think better than an even chance that it may go through conference. It is sound legislation and it

does not disturb the status quo more than is absolutely necessary in order to take care of emergency situations.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Oregon is offering the language of his amendment which was forwarded to the desk as a substitute for the amendment offered by the Senator from Washington?

Mr. CORDON. That is correct. It is so noted.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, after line 13, it is proposed to insert the following:

SEC. 104. Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, as amended, is amended by adding at the end thereof the following:

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

The PRESIDING OFFICER. The question is on the substitute offered by the Senator from Oregon [Mr. CORDON] to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Oregon yield for a question?

Mr. CORDON. I yield.

Mr. JOHNSON of Colorado. I have a question, but it may be a question the Senator cannot answer.

Mr. CORDON. It may well be.

Mr. JOHNSON of Colorado. I find myself in this predicament. I prefer the amendment proposed by the Senator from Washington over the substitute offered by the Senator from Oregon. But if the amendment of the Senator from Washington cannot be adopted, I would then be most happy to have the substitute agreed to. But, if it is the other way around, if the amendment of the Senator from Washington is defeated, we cannot return to the amendment of the Senator from Oregon, I do not know how I shall vote. I do not want to burn the bridges behind me. I should prefer to have the amendment of the Senator from Oregon than to have no amendment. I would rather have half a loaf than no loaf. That is the situation I am in. Perhaps my colleague from Colorado can assist me.

Mr. MILLIKIN. Mr. President, will the Senator yield, that I may reply to my colleague, the senior Senator from Colorado?

Mr. CORDON. I yield to the Senator from Colorado [Mr. MILLIKIN], after which I shall yield to the Senator from Colorado [Mr. JOHNSON].

Mr. MILLIKIN. Mr. President, I would say to my distinguished colleague

that the amendment is practically the same as the provisions of the so-called Simpson No. 2 bill in the House; and if the Cordon substitute prevails, and if the House acts on Simpson bill No. 2—I think there will be a strong effort to do so—we may have a chance to operate on the other provisions of the Magnuson amendment. I got the impression that my colleagues thought we might be foreclosed.

Mr. JOHNSON of Colorado. Yes.

Mr. MILLIKIN. The Simpson bill No. 2 is in the House Ways and Means Committee, and I am told there is a very good chance that it will be reported by the committee next week. I have been given to understand that the leaders in the House will allow the bill to come to the floor. So I would say there is a very good chance of the Senate's getting the Simpson bill No. 2, which contains almost exactly the same provisions as the Magnuson amendment.

Mr. MAGNUSON. Mr. President, I wish to address myself briefly to the amendment of the Senator from Oregon. The senior Senator from Colorado [Mr. JOHNSON] is entirely correct in saying that this is half a loaf. Of course, what we are trying in my amendment is to get as much as we can in order to protect what we think should be protected, and in order to do away with cumbersome procedures.

The junior Senator from Colorado [Mr. MILLIKIN] said Simpson bill No. 2—I do not know what the designation means—is somewhat identical with the amendment of the Senator from Washington; and he strongly suggests that Simpson No. 2 bill may get to the Senate, so we can consider it. I am wondering what position we would be in at that time, in view of all the criticism that has been made of the language of my amendment, which criticism would also apply to the language of Simpson bill No. 2. I think we would be in a somewhat embarrassing position.

I, too, am a little bit amused at some of the interpretations placed upon the language of my amendment, not only once, but on two occasions. Most of the Senators who have talked about the amendment have approved of it in principle; indeed, they have approved almost the identical language.

I do not wish to delay the Senate. The substitute of the Senator from Oregon, of course, as the Senator from Colorado [Mr. JOHNSON] has pointed out, is better than no amendment.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. Would the Senator permit me to say that the Senator from Oregon approves in principle the entire amendment of the Senator from Washington. He believes it needs some corrections in language, he believe it needs a little more care and study; but he approves of the basic principle involved, so long as section 22 remains in the law. He believes that the whole subject needs to be worked over.

Mr. MAGNUSON. I remember that on two previous occasions, by record votes, all Senators, practically, particu-

larly Senators on the other side of the aisle, voted for a bill containing similar provisions.

The Senator from Oregon has talked a great deal about the necessity of care and study. We have, so to speak, kicked this proposal around for many, many months, in fact, for years. The language is not new. We have given it a great deal of care and study. The Senator from Oregon may not like the language, but that does not mean that there has not been a great deal of care and study of the language in question by all interested parties.

The amendment of the Senator from Oregon is better than nothing at all. I doubt if under its terms any benefit will accrue to the woolgrowers or agricultural producers. It takes care of the fire after the building has been burned. We are trying to provide a good fire-alarm system which may prevent the fire before it can get started. The amendment of the Senator from Oregon is an emergency amendment. We provide the same procedures in the amendment which we propose, and also additional ones.

Mr. CORDON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. In a moment.

I should like to say to the Senator, when he asks me if I will accept the amendment, that I have no right to accept it. There are many cosponsors of my amendment. It is not simply my amendment. I probably have less direct interest in it than has any of the cosponsors, so far as agricultural produces are concerned. I am sorry I cannot confer with them on the matter, but I have no right to accept the amendment.

Mr. HOLLAND. Mr. President, I feel that I should say, in the absence of the distinguished Senator from Vermont [Mr. ARKEN], who was the introducer of the bill, S. 1680, which has, in effect, become the substitute amendment offered by the distinguished Senator from Oregon [Mr. CORDON], that I was glad to join the Senator from Vermont in the introduction of that bill.

The Committee on Agriculture and Forestry had been conducting, in March and April of this year, extensive hearings on the question of export and import of agricultural products. One of the questions arising was the nonuse of section 22, and also of section 8 (a) of the last extension of the Reciprocal Trade Agreements Act. Section 8 (a) refers only to highly perishable commodities, such as fruits and vegetables.

When the Secretary of Agriculture expressed a sincere desire to use that section, and also a sincere desire to use section 22, he expressed the feeling that the administration of the act had not been sufficiently speedy and sympathetic and he wanted a chance to show the beneficial capacity of section 22 when administered with sympathy and with speed. The Senator from Vermont and the Senator from Florida were so impressed with the fact that there was a sincere desire to act speedily and sympathetically under the section, that although our committee does not have jurisdiction in this field, we sponsored, as

a result of the investigation, this bill which we understood would be considered as an amendment when the extension of the Trade Agreements Act came on for study and debate. We felt that the mere making available of emergency machinery would meet the problem, at least for this year, and that any long or extensively worked out program would hardly be interpreted during the year, and we understood the act would be extended for only a 1-year period, during which time a more careful study of the whole situation could be made. So we introduced the bill which has been mentioned, S. 1680; and now it has become not only a part of the amendment offered by the distinguished Senator from Washington, but the whole of the substitute amendment offered by the Senator from Oregon. If the findings of the members of the Committee on Agriculture and Forestry, which went into that matter, are of value, I would simply say that at least the Senator from Vermont and the Senator from Florida felt this emergency provision would be adequate. I gathered from the expression of the Senator from Minnesota [Mr. THYE], who has left the Chamber, and of other Senators on our committee that they feel likewise. Under the amendment, the President would not have to await action of the Tariff Commission, but could act at once to meet the situation at least for this year.

So, Mr. President, I hope the substitute of the distinguished Senator from Oregon will be accepted, and I hope it will be acceptable to the Senator from Washington [Mr. MAGNUSON], who has certainly been diligent and aggressive in pressing this whole subject. I hope he will see that the whole subject matter is so complicated that it will be highly probable that the emergency section taken out of his own amendment and from S. 1680 would be much more helpful than anything else which has been suggested for this 1-year period of time.

Mr. MILLIKIN. Mr. President, I should like to say that I think the substitute of the Senator from Oregon meets all the immediate necessities of the situation, and I shall support it.

SEVERAL SENATORS. Vote! Vote!

Mr. HUNT. Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point in my remarks a letter addressed by the President to the Chairman of the Tariff Commission under date of June 25, 1953, and a telegram addressed to me by the National Wool Growers' Association, under date of June 27, 1953.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, June 25, 1953.

DEAR MR. CHAIRMAN: By letter dated August 15, 1952, the then Secretary of Agriculture, Charles F. Brannan, recommended that the President request the Tariff Commission to institute an investigation pursuant to section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. He stated they were being or practically certain of being imported into the United States under such conditions and in such quantities as to tend to render inef-

fective or materially interfere with, the price support program for wool undertaken by the Department of Agriculture.

Under date of September 2, 1952, the President addressed a letter to the Tariff Commission, pursuant to the recommendation of the Secretary of Agriculture, directing the Tariff Commission to make an investigation in accordance with Executive Order No. 7233 (November 23, 1935) which promulgated regulations governing investigations under said section 22. The letter of the President further directed that the investigation and report of findings and recommendations of the Tariff Commission should be completed as promptly as possible and that the Commission should determine whether wool or wool tops are being or are practically certain of being imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the wool price support program.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review the Department of Agriculture programs for wool and wool tops and the conditions as they may develop so that it may be in a position to report to me promptly in the event such a report is requested in the future.

Sincerely,

DWIGHT D. EISENHOWER.

Hon. EDGAR B. BROSSARD,
Chairman, United States Tariff Commission,
Washington, D. C.

WASHINGTON, D. C., June 27, 1953.

Senator LESTER C. HUNT,
Senate Office Building,
Washington, D. C.:

Late Friday, Tariff Commission released letter from President Eisenhower ordering Commission to make no report on request for tariff protection for United States wool industry from foreign imports which forced prices so low one-half of domestic 1952 wool production went into Commodity Credit stockpile. Industry had been waiting since hearings were held last September under section 22 of Agricultural Act in hope of action which would help halt the decline of wool production in United States. This

seems to us positive proof of need for strengthening section 22 as requested by Secretary Benson in testimony before Senate Agriculture Committee. We understand Senator MAGNUSON, of Washington, plans to introduce such an amendment when trade-agreements extension H. R. 5495 goes to Senate floor this week. Domestic sheep industry strongly urges you contact Senator MAGNUSON to study proposed amendment and if possible please join with him in offering the amendment as a cosponsor. This arbitrary action of refusing a Tariff Commission decision on wool and wool tops makes it imperative we have the aid of Congress if our industry is to survive. We are not opposing foreign trade but it must be on a fair and equitable basis with some measure of protection for domestic industry. Wool production, classed as most critical and essential of all agricultural products by Defense Department, now being wiped out in United States. We are now producing only 27 percent of domestic consumption. We would appreciate your calling Senator MAGNUSON immediately as time element extremely important at this point.

NATIONAL WOOL GROWERS
ASSOCIATION,

RAY W. WILLOUGHBY,

President.

J. M. JONES,

Secretary.

Mr. BUTLER of Nebraska. Mr. President, I shall be very brief.

Once more we are considering the extension of the Trade Agreements Act. Looking at it in the light of the proposed foreign-aid appropriations, I wonder if we are not taking another step toward the economic ruin of our country. The "Trade Not Aid," theory has been expounded as a happy solution to our dilemma. Judging from the size of this year's mutual aid appropriation and the provisions of the Trade Agreements Act, our policy appears to be trade and aid.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a brief statement, including a table supporting my theory that our policy is trade and aid.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

United States exports to and imports from foreign countries

(Millions of dollars)

Country	1947 total		1948 total		1949 total		1950 total		1951 total		1952 total	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Total.....	5,259.9	695.3	4,182.6	977.5	4,075.7	842.4	3,166.3	1,261.0	4,825.3	1,909.2	4,814.4	1,841.2
Austria.....	107.3	4.4	146.4	8.8	151.0	9.6	105.5	16.3	106.7	26.1	77.6	26.8
Belgium-Luxembourg.....	534.6	58.6	308.6	103.8	307.7	94.2	270.3	139.7	376.7	214.9	290.6	190.9
Denmark.....	77.9	5.1	53.8	6.1	92.9	6.6	55.4	12.2	65.9	20.6	50.4	25.4
France.....	817.2	47.0	591.3	73.0	497.1	61.5	349.7	131.7	423.9	263.5	365.8	167.0
Germany (total).....	585.6	6.3	862.8	31.7	822.1	45.5	439.9	103.7	520.2	232.0	443.3	212.3
Greece.....	166.6	16.6	238.6	19.3	186.7	15.7	97.9	17.3	96.9	20.9	65.1	19.6
Iceland.....	15.7	3.1	10.2	4.0	8.4	2.2	6.0	4.4	6.9	8.4	12.5	12.1
Ireland.....	88.8	2.8	37.0	2.7	62.6	1.7	45.5	2.5	52.9	7.6	38.4	9.8
Italy.....	499.9	43.8	417.9	94.0	458.0	70.8	345.1	109.5	455.9	140.2	411.2	156.8
Netherlands.....	383.7	26.5	309.2	43.5	283.4	59.3	228.0	84.1	287.4	115.5	276.0	156.9
Norway.....	147.0	22.1	84.7	33.8	90.5	30.7	71.1	40.8	89.6	49.9	78.1	52.0
Portugal.....	94.5	21.0	76.2	19.9	52.7	13.6	32.5	20.8	39.6	28.1	38.7	32.3
Sweden.....	397.6	92.6	118.0	91.4	87.4	54.4	99.4	71.4	134.3	104.7	123.1	90.4
Switzerland.....	194.4	83.4	171.5	105.8	142.6	93.1	129.4	109.9	193.0	133.9	150.7	142.2
Trieste.....	11.5	11.5	11.5	11.5	11.9	11.9	11.7	11.7	13.6	2	6.0	6.1
Turkey.....	82.2	57.2	100.9	50.1	120.6	55.7	70.4	61.2	60.1	76.4	63.4	61.1
United Kingdom.....	1,103.2	204.9	644.0	289.6	700.2	227.6	520.2	334.8	898.9	466.3	673.1	455.4

Explanatory footnotes omitted.

The following is allotment total by individual countries in European program from April 3, 1948 to April 30, 1953. It includes allotments made under the Mutual Defense Assistance Program economic assistance funds transferred to MSA/ECA beginning July 1, 1950:

Cumulative total to date
[Millions of dollars]

Total.....	14,432.2
Austria.....	711.8
Belgium-Luxembourg.....	555.5
Denmark.....	275.9
France.....	3,013.8
Germany (Federal Republic).....	1,412.8
Greece.....	748.9
Iceland.....	31.4
Ireland.....	146.2
Italy.....	1,555.0
Netherlands, excluding Indonesia.....	977.3
Indonesia.....	101.4
Norway.....	253.5
Portugal.....	50.5
Sweden.....	107.1
Trieste.....	32.6
Turkey.....	267.5
United Kingdom.....	3,580.9
Yugoslavia.....	205.0
General freight account.....	43.8
European payments union—capital fund.....	361.4

The top three in the size of the allotments were United Kingdom, France, and Italy. I hope these expenditures have been worthwhile, but it certainly has been no source of pride to see Great Britain transport materials to Red China; Italy to barely escape Communist control; and France unable to form a government.

Mr. MAGNUSON. Mr. President, I move to amend the substitute by adding to the Cordon amendment an amendment which includes the amendment offered by me on behalf of myself and several other Senators, but omits the emergency clause. That will give us a vote on my amendment first, and then a vote on the Cordon amendment.

Mr. CORDON. Mr. President, is that action in accordance with the rules?

The PRESIDING OFFICER. The amendment of the Senator from Washington is in the third degree and is, therefore, out of order. The Senator from Washington can offer his own amendment.

Mr. MAGNUSON. Mr. President, I move to amend my own amendment to cover all except the emergency clause.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Chair is informed that the Senator has the right to modify his own amendment at this stage, but he cannot offer a substitute or an amendment to the amendment of the Senator from Oregon.

Mr. MAGNUSON. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator from Washington withdraws his amendment?

Mr. MAGNUSON. Yes, Mr. President.

The PRESIDING OFFICER. Does the Senator from Oregon offer his substitute as an amendment?

Mr. CORDON. I do.

Mr. MAGNUSON. Now, Mr. President, I offer my amendment, all of it

except the emergency clause, as a substitute for the amendment of the Senator from Oregon.

The PRESIDING OFFICER. The question recurs upon the substitute offered by the Senator from Washington to the amendment offered by the Senator from Oregon.

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered. The PRESIDING OFFICER (putting the question). The "nays" seem to have it; the "nays" have it, and the substitute offered by the Senator from Washington [Mr. MAGNUSON] to the amendment of the Senator from Oregon [Mr. CORDON] is rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 8, line 9, it is proposed to strike out "284, or 1914," and insert in lieu thereof "or 284."

Mr. GORE. Mr. President, I offer the amendment to raise a question that gives disturbance to me. If after discussion the apprehensions which I entertain are allayed, I shall be glad to withdraw the amendment. If a real question is involved, I hope the committee will see fit to accept the amendment and take it to conference.

Title III of the bill establishes a Commission on Foreign Economic Policy. The importance of the Commission cannot be exaggerated.

Mr. MILLIKIN. Mr. President, will the Senator state his amendment, please?

Mr. GORE. The amendment I offer strikes out, on page 8, line 9, "1914."

That particular section is the conflict of interest statute, relating to the drawing of outside compensation by Government employees. Several statutes are waived for employees of the proposed Commission, namely, sections 281, 283, 284, and 1914.

I have no doubt about the propriety of exempting employees of the Commission from the application of sections 281, 283, and 284 of the penal code, but I have real doubt as to the advisability of permitting the Commission to be staffed with persons who may be in the pay of outside corporations, businesses, or interests. I doubt if that would be in the interest of fair and impartial study. I doubt if it would lend dignity to the Commission itself.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. This particular language was not in the Senate resolution which went to the House on the subject of the Economic Commission.

So far as I am concerned, as chairman of the Committee on Finance, I would be willing to have the objection-

able part stricken out; and if good reasons are advanced in conference as to why it should be replaced, I would be willing to bring it back to the Senate.

Mr. GORE. That would be satisfactory.

Mr. FERGUSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. FERGUSON. In other words, would the Senator make the criminal sections apply to all persons, even including the members of the Commission?

Mr. GORE. The bill does not so read. If the Senator will turn to page 7, he will see the following language:

Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government—

So the exemption from section 1914 would apply only to members of the Commission appointed from private life, and to the staff of the Commission.

I am not certain that I would not be willing to have all members of the Commission exempted from that language; but for all the staff of the Commission to be exempted from the conflict of interest statute raises a very serious doubt.

Mr. FERGUSON. I agree with the Senator.

Mr. GORE. I thank the Senator from Michigan.

I appreciate the statement of the distinguished Senator from Colorado, who is chairman of the committee, that he will be willing to take the amendment to conference.

Mr. MILLIKIN. Mr. President, I would be willing to dispose of the matter by accepting the amendment of the Senator from Tennessee and taking it to conference.

Mr. LEHMAN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield. However, since the amendment has been accepted, I do not wish to prolong the discussion.

Mr. LEHMAN. I wish to direct the attention of the distinguished junior Senator from Colorado to one point. I am thoroughly in favor of not waiving the provisions of the conflict of interest sections with regard to any members of the staff or any temporary employees. I discussed the matter with the Senator from Tennessee, and told him I felt very strongly that way about it.

However, I have very grave doubts about the wisdom of making the section apply to any member of the Commission although I fully believe in the value of the conflict-interest sections of our statutes. Under the bill, as I read it, members of the Commission would not be full-time Government employees but would be paid on a per diem basis of \$75 a day when they serve. They may serve only once a week or once a month. There would be no continuity of service as is the case with a departmental head or other employees.

It seems to me that it would very materially increase the difficulties of getting the right type of men to serve on the Commission by Presidential appoint-

ment if the conflict-in-interest provisions were to apply in the case of those persons who are definitely merely part-time officials and who have no administrative duties or authority. I speak with some experience, because I have served on governmental commissions and have received per diem allowances of \$50 or \$75 a day. I served on the ECA Advisory Board and I was called only once every 2, 3, or 4 weeks. I believe it would have been a very great hardship to my very distinguished colleagues had they been expected to give up any outside compensation to which they might have been entitled by virtue of their permanent employment. In my own case, it did not make any difference, because I did not receive outside compensation. But in the case of my fellow Members who were heads of the great labor organizations, the great farm organizations, and big-business organizations, they could not have afforded to give up their permanent positions in order to accept temporary per diem employment.

I believe there would be less effective commission by Presidential appointment. I hope the conference will take the situation into consideration.

Mr. MILLIKIN. Mr. President, if we are permitted to take the amendment to conference, we will ascertain exactly what was in the minds of those who changed the Senate text, and handle ourselves accordingly upon the facts as they then appear.

Mr. GORE. I am very glad to have that statement. The distinguished and able junior Senator from Colorado is very generous, indeed. I think what he suggests is a proper solution.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Tennessee [Mr. GORE] is agreed to. The bill is open to further amendment.

Mr. MALONE. Mr. President, I call up my amendment in the nature of a substitute, designated 7-1-53-D, and ask that it be stated.

The PRESIDING OFFICER. Does the Senator desire to have the amendment read in full?

Mr. MALONE. I should like to have the title and the preamble read.

The PRESIDING OFFICER. Does the Senator desire to have his amendment printed in its entirety in the RECORD, in lieu of having it read?

Mr. MALONE. I do.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

Mr. MALONE's amendment is as follows:

Strike out all after the enacting clause and insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is declared to be the policy of the Congress—

"(a) to establish a sound fair-trade basis for the exchange of goods with the foreign nations of the world;

"(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress;

"(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a

sound and prosperous national economy on our wage standard of living and employment in industry and agriculture;

"(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports;

"(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions; and

"(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

"RESTATEMENT OF EXISTING IMPORT DUTIES

"SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 12, 1953, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

"FORMATION OF FOREIGN TRADE AUTHORITY

"SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 330. Organization of the Foreign Trade Authority.

"(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the "Authority") to be composed of six directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of this act. Not more than three of the directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) Chairman, Vice Chairman, and salary: The President shall annually designate 1 of the directors as Chairman and 1 as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each director shall receive a salary of \$15,000 a year. No director shall actively engage in any business, vocation, or employment other than that of serving as a director."

"APPOINTMENT OF SECRETARY

"SEC. 4. Title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"(a) Personnel: The Authority shall appoint a secretary who shall receive compen-

sation in accordance with the Classification Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties.'

"ADMINISTRATION OF TRADE AGREEMENT

"SEC. 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"SEC. 331a. Administration of trade agreements

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Authority is hereby authorized and directed—

"(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930:

"(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act.'

"PERIODIC ADJUSTMENT OF IMPORT DUTIES

"SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 336. Periodic adjustment of import duties.

"(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) the lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"(2) Any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments.

"(3) The policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits.

"(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each.

"(5) The actual and potential future ratio of volume and value of imports to volume and value of production, respectively.

"(6) The probable extent and duration of changes in production costs and practices.

"(7) The degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however*, That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) in order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided*, That any such order is first submitted to Congress by the Authority and is not disapproved in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however*, That no such quantitative limit shall be imposed contrary to the provisions of any foreign-trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term "United States" includes the several States and Territories and the District of Columbia;

"(3) the term "foreign country" means any empire, country, dominion, colony, or

protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"(4) the term "landed duty paid price" means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing customer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

"AMENDMENT OF SECTION 337

"SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

"(a) Subdivision (a) thereof by striking out the word 'President' and substituting thereof the word 'Authority.'

"(b) Subdivision (b) thereof is hereby repealed.

"(c) Subdivision (d) thereof is hereby repealed.

"(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

"(f) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Authority may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

"(g) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

"CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS, AND SO FORTH

"SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceeding pending before the Commission at such time shall abate by reason of such transfer but

shall continue under the provisions of this act.

"(b) Wherever in the Tariff Act of 1930, or in any other law, the terms "United States Tariff Commission" or "Commission" occur, such terms shall be construed to mean the "Foreign Trade Authority" and the "Authority", respectively."

"REAPPLICATION OF SECTION 516 (o)

"SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

"STATISTICAL ENUMERATION

"SEC. 10. Title IV, part III, section 484 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final."

"REVISED TEXT OF TARIFF ACT

"SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930 as amended.

"EFFECTIVE DATE

"SEC. 12. This act shall take effect as of June 12, 1953."

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. MALONE].

THE SUBSTITUTE—FOREIGN TRADE AUTHORITY FOR H. R. 5495—THE EXTENSION OF THE 1934 TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, the amendment in the nature of a substitute proposed by the junior Senator from Nevada would substitute for the 1934 Trade Agreements Act extension as provided in H. R. 5495, which, in effect, continues the President an agent of Congress and gives him a "power of attorney" for the Congress in the adjustment of the duties, imposts, and excises which the Congress is directed by the Constitution of the United States to regulate. This power is delegated to the President to regulate foreign trade.

SECRETARY OF STATE REMAKES INDUSTRIAL MAP

The Secretary of State has, by that authority, the right to remake the industrial map of the United States, and has proceeded to remake it for the past 20 years.

BIG BUSINESS NOW FOR FREE TRADE

In the beginning tariffs were generally supposed to be for the protection of big business, but the situation now is entirely reversed. The business of this country, which has grown big enough to put branch plants behind the low-wage

curtain and take advantage of sweatshop labor in foreign countries, using American know-how and American machinery and low-cost labor, which is paid from 40 to \$3.50 a day in Africa, Europe, and Asia, and is enabled, through the free-trade methods of the State Department and the Executive, to return those products to the United States and sell them cheaper than they could be produced in the United States, using the higher-wage standard of living in this country. Those who are in a position to operate in that fashion are for free trade.

SMALL BUSINESS AND WORKERS FOR PROTECTION

On the other hand, small business, defined as business of such a nature and such a size that it cannot put its branch plants behind the low-wage curtain and supply this market, but must remain dependent upon American markets and pay the American wage standard of living wages, is for protection.

THE FOREIGN TRADE AUTHORITY

The Foreign Trade Authority would be merely a reorganized Tariff Commission. It would be the agent of Congress, and have full authority to adjust the flexible duties, imposts, and excises, commonly known as tariffs and import fees, on the basis of fair and reasonable competition.

FAIR TRADE IN PLACE OF FREE TRADE

In other words, it would establish fair trade instead of free trade.

The Senate must be entirely familiar by now with the methods used by foreign countries to escape imports from this Nation through the manipulation of the price of their currency. When a trade agreement is made, it is not really a trade agreement, at all. It is an agreement to lower tariffs.

THE PERIL POINT

The Trade Agreements Act contains a peril point paragraph. When the Tariff Commission is asked to find the peril point, which is supposed to be the proper place for the tariff, and would be at that particular time, it is submitted to the President and the State Department.

TARIFF UPON CURRENCY

Let us assume that the State Department uses that peril point, which it seldom does, and makes an agreement with a foreign nation to lower tariffs based upon the peril point.

Almost immediately, as the record shows, that foreign nation establishes another value for its currency, with respect to any particular product which may be offered for import into that country from the United States, and raises the price of its money in terms of the dollar, and, in effect, placing a tariff on its money. That is only one of the subterfuges.

They have quotas, specifications, trade permits, exchange permits, and dozens of other ways of dodging the responsibility under the trade agreement.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from North Dakota.

Mr. LANGER. The real purpose of this amendment is to prevent our competitors from juggling their currency to the detriment of the American manufacturer or importer.

Mr. MALONE. That is exactly right. My amendment would provide machinery to adjust the duties or tariffs to compensate for the manipulation of currencies by other nations, and other subterfuges to take advantage of us in such trade agreements.

Mr. LANGER. For example, today Argentina has three forms of currency. If there is something they want, they offer a basis of exchange of 5 to 1. If it is something they want to keep out of Argentina, to the detriment of our manufacturers, the rate is made 17½ to 1.

Mr. MALONE. The principle is correct.

Take the wool industry as an example. Everyone knows that the wool industry in this country is destroyed. No one in his right mind would put \$2 into the sheep business at this moment. The Congress has no policy and the State Department has a policy of "free trade" ruinous to the workers and to small business.

DIFFERENT RATE FOR DIFFERENT PURPOSE

If Argentine raw wool is shipped into this country and they get dollars for it, Argentina will give a certain number of pesos for that dollar. If, on the other hand, the wool is processed and manufactured into some processed product by the producer and shipped into this country and they receive dollars, the Government will give a greater number of pesos for that dollar.

So they are encouraged and subsidized in their manufacturing business, in competition with the United States.

THE AMERICAN WORKERS AND PRODUCERS MUST LOSE

It is sufficient to say that under the policy followed for 20 years American working men and producers have been the losers. They have had no chance on earth to win.

The only idea of the State Department is to divide the markets of this country, exactly as Dean Acheson and Willard Thorp said many times during their regime, to the point where, theoretically, there are no trade balance deficits in foreign countries. In the interim, we will continue to appropriate money, as we did yesterday to the extent of \$5¼ billion dollars to make up the trade balance deficits until the markets of this country are divided equally with foreign nations through the 1934 Trade Agreements Act. I say "we" because of my inability to stop such appropriations. We would appropriate money to make up trade-balance deficits, and refer to it as recovery from World War II when, as everyone knows, foreign nations have already recovered to the extent of 145 to 160 percent on that basis. Their manufacturing machinery, their plants, and their production capacity are so far beyond their consuming capacity that they now are advocating further trade with Communist China, Russia, and the Iron Curtain countries, if further trade is possible. They have been trading with those countries ever since World War II, without letting up one iota.

So I say to the Senate that my amendment in the nature of a substitute would provide the machinery with which an agent of Congress could act with full au-

thority to adjust the duties, impost, and excises commonly known as tariffs and import fees, on a basis of fair trade with foreign nations—upon a basis of fair and reasonable competition, at all times taking into account and adjusting for the various manipulations of currency and other subterfuges of foreign countries for trade advantages. My substitute would establish fair trade with those nations.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Nevada [Mr. MALONE].

Mr. MALONE's amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

That section 1700 (a) (1) of the Internal Revenue Code (relating to tax on admissions) is hereby amended by adding at the end thereof the following new sentence: "The tax imposed under this paragraph shall not apply to the amount paid for admission to a moving-picture theater if the principal amusement offered with respect to such admission is the showing of moving pictures."

The amendment made by the first section of this act shall apply only with respect to amounts paid, on or after the first day of the first month which begins more than 10 days after the day on which this act is enacted, for admissions on or after such first day.

Mr. KERR. Mr. President, the Senator from Oklahoma had hoped that a bill identical in language with this amendment, and known as the Mason bill, heretofore introduced in the House, might by this time have been reported by the House Ways and Means Committee to the House, and might have been before the Senate for consideration. However, that has not happened, and the session is now drawing toward a close.

The Senator from Oklahoma feels that this is one of the most burdensome of the excise taxes now in the law. The situation has become so critical for the motion-picture theaters that it should certainly be corrected during this session of the Congress. The Senator from Oklahoma would earnestly urge the distinguished chairman of the Committee on Finance to accept the amendment and take it to conference.

Mr. MILLIKIN. Mr. President, I regret very much that I cannot agree that the amendment should be taken to conference. I am thoroughly conscious of the deep trouble the motion picture people are in, and it is not getting any better. A bill is pending in the House, but I cannot say that I have certain assurances that it will reach the Senate. It involves an enormous sum of revenue, and I believe the subject ought to be considered separately and carefully when the House bill comes to the Senate.

I may say that if the House bill comes to the Senate, so far as I am concerned,

the Committee on Finance will give it careful and prompt attention.

I believe the Senator from Oklahoma is properly impressed with the distress of many moving-picture houses. I believe the tax, as he has described it, is burdensome and oppressive, and I think it would be highly advisable if we could get rid of it consistent with all of our fiscal requirements. I feel a deep sense of sympathy with the problems of the moving picture operators. I will assure the Senator from Oklahoma that when the bill comes from the House—and I understand there is much support for it there—we will expedite consideration of it in the Committee on Finance. I hope the Senator will not press the amendment.

Mr. FERGUSON. Mr. President, I appreciate what the Senator from Oklahoma has in mind. I understand the moving-picture people have had to call upon cities and States to reduce the taxes on their properties in order that they may keep their doors open. They are having great financial difficulty. I hope, as the Senator from Oklahoma hopes, that the amendment may be taken to conference. I know the situation all over the Nation deserves the quick attention of the Senate, because in the Small Business Committee we have had this problem presented to us, and in other ways also. I should like to see the amendment taken to conference, because I believe the moving-picture people need relief.

Mr. MILLIKIN. Mr. President, I do not believe that any effective purpose could be served by taking the amendment to conference. I do not think the conference would accept it. The House has before it a pending bill, and under the disturbed circumstances over there, which I shall not expand on, I think they would be especially sensitive to an effort of the Senate to prod them by sending something to them on which they are already working. I hope the Senator from Oklahoma will not press his amendment.

Mr. KERR. Mr. President, I have profound respect for the distinguished chairman of the committee. I am so keenly aware of the acuteness of this problem, as I believe and feel he also is, I had hoped that he would see his way clear to take the amendment to conference. If he cannot do so, in view of his comforting reassurances that we will be permitted to have a bill before us in the near future in connection which this matter can be considered, I will not press the amendment, if he feels he cannot accept it.

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). The Senator from Oklahoma withdraws his amendment.

The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I should like to call up my amendment 7-1-53-B, which is at the desk. I do not believe it will be necessary to read the amendment.

The PRESIDING OFFICER. The clerk will state the amendment by title.

The CHIEF CLERK. The Senator from

Illinois proposes an amendment on page 12, after line 3, to insert certain language.

The PRESIDING OFFICER. The amendment is a very long one. Without objection, the reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The amendment offered by Mr. DOUGLAS is as follows:

On page 12, after line 23, insert the following:

"TITLE IV—CUSTOMS SIMPLIFICATION

"Sec. 401. Short title and effective date.

"This title may be cited as the 'Customs Simplification Act of 1953' and shall be effective, except as otherwise specifically provided for, on and after the 30th day following the date of its enactment.

"Table of contents

"Sec. 401. Short title and effective date.

"Sec. 402. Repeal of obsolete accounting provisions.

"Sec. 403. Effective dates of rates of duty.

"Sec. 404. Marking.

"Sec. 405. Transportation of lead-bearing and zinc-bearing ores.

"Sec. 406. Repeal of certain obsolete reciprocal provisions.

"Sec. 407. American goods returned.

"Sec. 408. Free entry provision for travelers.

"Sec. 409. Free entry for noncommercial exhibitions.

"Sec. 410. Temporary free entry for samples and other articles under bond.

"Sec. 411. Supplies and equipment for vessels and aircraft.

"Sec. 412. Drawback.

"Sec. 413. Administrative exemptions.

"Sec. 414. International traffic and rescue work.

"Sec. 415. Value.

"Sec. 416. Signing and delivery of manifests.

"Sec. 417. Certified invoices and entry of merchandise.

"Sec. 418. Verification of documents.

"Sec. 419. Amendment of entries.

"Sec. 420. Commingled merchandise.

"Sec. 421. Correction of errors and mistakes.

"Sec. 422. Conversion of currency.

"Sec. 423. Transfers of goods in bonded warehouse.

"Sec. 424. Customs supervision.

"Sec. 425. Saving clause.

"SEC 402. Repeal of obsolete accounting provisions.

"(a) The following sections of the Revised Statutes (relating to obsolete functions of customs officers and functions of such officers now provided for by other laws) are hereby repealed:

"Revised Statutes 2621, as amended (U. S. C., 1946 edition, title 19, sec. 33).

"Revised Statutes 2622, as amended (U. S. C., 1946 edition, title 19, sec. 34).

"Revised Statutes 2623, as amended (U. S. C., 1946 edition, title 19, sec. 35).

"Revised Statutes 2626, as amended (U. S. C., 1946 edition, title 19, sec. 39).

"Revised Statutes 2639, as amended (U. S. C., 1946 edition, title 19, sec. 42).

"Revised Statutes 2640, as amended (U. S. C., 1946 edition, title 19, sec. 43).

"Revised Statutes 2641, as amended (U. S. C., 1946 edition, title 19, sec. 44).

"Revised Statutes 2643, as amended (U. S. C., 1946 edition, title 19, sec. 45).

"(b) Section 439 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1439) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting therefor "such employee as the Secretary of the Treasury shall designate," and by deleting "said comptroller of customs" and substituting therefor "such employee designated by the Secretary."

"(c) Section 440 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1440) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting therefor "such employee as the Secretary of the Treasury shall designate."

"(d) Section 523 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1523) is amended to read as follows:

"SEC. 523. Examination of accounts.

"The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—

"(1) examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and

"(2) verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback."

"SEC. 403. Effective dates of rates of duty.

"(a) Section 315 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1315), is further amended to read as follows:

"SEC. 315. Effective dates of rates of duty.

"(a) Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

"(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

"(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

"(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within 90 days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

"(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.

"(d) No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with re-

spect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of 30 days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.'

"(b) Section 484 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1484 (f)), is further amended by changing the period at the end to a semicolon and adding 'except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.'

"Sec. 404. Marking.

"(a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

"Paragraph 28 is amended by deleting from subparagraph (f) 'the immediate container and.'

"Paragraph 354 is amended by deleting the second proviso.

"Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

"Paragraph 1553 is amended by deleting both provisos.

"(b) The following sections of the Revised Statutes are repealed:

"Revised Statutes 2934 (U. S. C., 1946 ed., title 19, sec. 134).

"Revised Statutes 2885 (U. S. C., 1946 edition, title 19, sec. 273).

"Revised Statutes 2886 (U. S. C., 1946 edition, title 19, sec. 274).

"(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), is further amended by deleting "or" at the end of subdivision (I); by changing the period at the end of subdivision (J) to a semicolon and by adding "or"; and by adding a new subdivision (K) as follows:

"(K) Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper, to avoid compliance with this section.'

"Sec. 405. Transportation of lead-bearing and zinc-bearing ores.

"(a) Paragraph 391 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 391), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: 'The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.'

"(b) Paragraph 393 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 393), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: 'The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.'

"Sec. 406. Repeal of certain obsolete reciprocal provisions.

"(a) Paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812), is amended by deleting the proviso (relating to the importation of spirits in certain containers).

"(b) Section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), relating to reciprocal agreements covering advertising matter, is repealed.

"Sec. 407. American goods returned.

"Paragraph 1615 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1615 (f)), is further amended by adding at the end thereof the following new sentences: 'When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty.'

"Sec. 408. Free entry provisions for travelers.

"Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1798), is further amended to read as follows:

"PAR. 1798. (a) Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.

"(b) In the case of any person arriving in the United States who is not a returning resident thereof—

"(1) wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

"(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

"(3) not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

"(c) In the case of any person arriving in the United States who is a returning resident thereof—

"(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

"(2) articles (including not more than 1 wine gallon of alcoholic beverages and not more than 100 cigars) acquired abroad as an

incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

"(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than 48 hours, and in either case has not claimed an exemption under this subdivision (A) within the 30 days immediately preceding his arrival; and

"(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than 12 days and has not claimed an exemption under this subdivision (B) within the 6 months immediately preceding his arrival.

"(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed 24 hours, and after the expiration of 90 days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitations so prescribed.

"(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within 60 days after its importation because it was found by the importer to be unsatisfactory.

"(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

"(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within 3 years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within 1 year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

"(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.'

"Sec. 409. Free entry for noncommercial exhibitions.

"(a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809), is amended by inserting 'within

5 years after the date of entry hereunder' after 'used contrary to this provision'; by inserting 'within such 5-year period' after 'at any time'; and by deleting 'and the preceding.'

"(b) The conditions of any bond in force on the effective date of this title in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding provisions of any Tariff Act prior to the Tariff Act of 1930 shall be deemed to have been satisfied upon the effective date of this title or upon the expiration of 5 years from the date such articles were entered, whichever is later, except with respect to any violation which has occurred or which shall have occurred before such time.

"SEC. 410. Temporary free entry for samples and other articles under bond.

"(a) (1) The part of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308) following the heading and preceding the numbered items is amended to read as follows:

"The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within 1 year from the date of importation, which period in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years."

"(2) The amendment made by paragraph (1) shall be effective with respect to articles imported before or after this section is enacted.

"(b) Section 308 (3) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (3)) is amended by inserting immediately after the word "Samples" the following: '(but not including photoengraved printing plates imported to be reproduced.'

"(c) Section 308 (4) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (4)) is amended to read as follows:

"(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied."

"(d) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308 (5)), is further amended to read as follows:

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests;"

"(e) Section 308 (7) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (7)), is amended to read as follows:

"(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;"

"(f) Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308), is further amended by changing the period at the end thereof to a semicolon and adding the following new subdivisions:

"(10) Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor;

"(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and

"(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States."

"(g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1607), is amended to read as follows:

"PAR. 1607. (a) Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.

"(b) Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit."

"(h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1747), is amended by changing the second semicolon to a period and deleting the remainder of the paragraph.

"(i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

"SEC. 411. Supplies and equipment for vessels and aircraft.

"(a) Subsections (a) and (b) of section 309 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1309 (a) and (b)), relating to articles for certain vessels and aircraft, are further amended to read as follows:

"(a) Exemption from duties and taxes: Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

"(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

"(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

"(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

"(b) Drawback: Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, continuous customs custody

elsewhere than in a bonded warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this act."

"(b) Section 317 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1317 (b)), is amended to read as follows:

"(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation."

"(c) Section 3115 of the Revised Statutes, as amended (U. S. C., 1946 ed., title 19, sec. 258), is further amended by—

"(1) striking out the comma at the end of paragraph (2) and inserting in lieu thereof 'or' and inserting after paragraph (2) the following new paragraph:

"(3) that such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo;" and

"(2) striking out 'such equipments' the last place it appears in such section and inserting in lieu thereof 'such equipments or parts thereof or materials.'

"SEC. 412. Drawback.

"(a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C. 1946 edition, title 19, sec. 1313 (b)), is further amended by deleting 'one year' and substituting therefor 'three years.'

"(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1313 (c)), is amended by inserting 'or shipped without the consent of the consignee' after 'sample or specification'; by deleting 'thirty days' and substituting therefor 'ninety days'; and by inserting 'unless the Secretary authorizes in writing a longer time', following 'after release from customs custody.'

"(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), is further amended by revising subsections (h) and (i) thereof to read as follows:

"(h) Time limitation on exportation: No drawback shall be allowed under the provisions of this section unless the completed article is exported within 5 years after the importation of the imported merchandise.

"(i) Regulations: Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made."

"SEC. 413. Administrative exemption.

"Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1321), is amended to read as follows:

“SEC. 321. Administrative exemptions.

“(a) The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—

“(1) disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and

“(2) admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—

“(A) \$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or

“(B) \$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this act, or

“(C) \$1 in any other case.

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

“(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.”

“SEC. 414. International traffic and rescue work.

“The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition, title 19, sec. 1321) a new section reading as follows:

“SEC. 414. International traffic and rescue work.

“(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

“(b) The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

“(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

“(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

“(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.”

“SEC. 415. Value.

“(a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1402), is further amended to read as follows:

“SEC. 402. Value.

“(a) Basis: Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this act shall be—

“(1) the export value;

“(2) if the export value cannot be determined satisfactorily, then the United States value;

“(3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or

“(4) If neither the export value, the United States value, nor the comparative value can be determined satisfactorily, then the constructed value; but

“(5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, the value shall be the American selling price of such domestic article.

“(b) Export value: The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

“(c) United States value: The United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar imported merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

“(1) any commission usually paid or agreed to be paid on merchandise secured otherwise than by purchase or agreement to purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisement;

“(2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

“(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

“If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of 90 days after the importation of the merchandise undergoing appraisement.

“(d) Comparative value: The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement

was exported which is comparable in construction and use with the merchandise undergoing appraisement, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

“(e) Constructed value: The constructed value of imported merchandise shall be the sum of—

“(1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

“(2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

“(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

“(f) American selling price: The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

“(g) Taxes: The value of imported merchandise determined in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisement has been exempted or has been or will be relieved by means of refund.

“(h) Definitions: As used in this section, the following terms shall have the meanings respectively indicated:

“(1) “Freely sold or, in the absence of sales, offered for sale”—sold or, in the absence of sales, offered to all purchasers at wholesale, or to one or more selected purchasers at wholesale at a price not less than that at which it would be sold to all purchasers at wholesale, without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

“(2) “Ordinary course of trade”—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

“(3) “Purchasers at wholesale”—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either

of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

"(4) 'Such or similar merchandise'—the merchandise undergoing appraisement shall be considered 'such' merchandise; and other merchandise shall be considered 'such' merchandise if—

"(A) it is identical in physical characteristics and was produced in the same country by the same person; or

"(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered 'similar' to the merchandise undergoing appraisement if it is not within the foregoing definition of 'such' merchandise but—

"(C) it was produced in the same country as the merchandise undergoing appraisement, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value; or

"(D) when no value meeting the requirements of the definition of value under consideration can be determined under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

"(5) 'Usual wholesale quantities'—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the 'such or similar merchandise,' in respect of which value is being determined, is sold in the market under consideration."

"(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c)'."

"(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c)'."

"(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1336 (b)), is amended by changing 'section 402 (g)' to 'section 402 (f)'."

"SEC. 416. Signing and delivery of manifests.

"Section 431 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1431), is amended by designating the matter now therein as subsection (a) and by adding a new subsection to read as follows:

"(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity."

"SEC. 417. Certified invoices and entry of merchandise.

"(a) Section 482 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a)), is amended by substituting 'required pursuant to section 483 (b) of this act to be certified' for 'covering merchandise exceeding \$100 in value' in the first clause.

"(b) Section 484 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (a)), is amended by deleting 'forty-eight hours' and substituting therefor 'five days.'

"(c) Section 484 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (b)), is amended to read as follows:

"(b) Production of certified invoice: The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice."

"(d) Section 498 (a) (1) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) is amended to read as follows:

"(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;"

"(e) Section 498 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a)) is further amended by deleting subdivision (11) and substituting therefor a new subdivision to read as follows:

"(11) Merchandise within the provisions of paragraph 1631 of this act."

"(f) The act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472-475), is hereby repealed.

"SEC. 418. Verification of documents.

"Section 486 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1486) is amended by changing the heading to read—

"SEC. 486. Administration of oaths—verification of documents."

and by adding at the end thereof the following new subsection:

"(d) Verification in lieu of oath: The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required."

"SEC. 419. Amendment of entries.

"(a) Section 487 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by deleting therefrom 'or at any time before the invoice or the merchandise has come under observation of the appraiser for the purpose of appraisement.'

"(b) Section 489 of the Tariff Act of 1930 (U. S. C. 1946 edition, title 19, sec. 1489) is amended by deleting the first two paragraphs.

"(c) Section 501 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1501), is further amended by changing the period at the end of the first sentence to a comma and by inserting thereafter 'or (3) In any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice,' by inserting in the second sentence after 'appraiser' the clause 'including all determinations entering into the same,' and by deleting the third sentence of the section.

"(d) Section 503 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1503), is amended by deleting subsection (b), by redesignating subsection (c) as subsection (b), and by amending subsection (a) to read as follows:

"(a) General rule: Except as provided in section 562 of this act (relating to withdrawal from manipulating warehouses), the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be the final appraised value."

"(e) The act of July 12, 1932 (ch. 473, 47 Stat. 657; U. S. C., 1946 edition, title 19, sec. 1503a), is repealed.

"(f) Section 562 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1562), is further amended by changing the third sentence to read as follows: 'The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the merchandise, such rate shall be based upon or regulated by such adjusted final appraised value.'

"SEC. 420. Commingled merchandise.

"Section 508 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to read as follows:

"SEC. 508. Commingling of goods.

"(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

"(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 30 days after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

"(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

"(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated

prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material."

"SEC. 421. Correction of errors and mistakes.

"Subdivisions (1) and (2) of section 520 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c)), are further amended to read as follows:

"(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within 1 year after the date of entry, appraisement, or transaction, or within 60 days after liquidation or exaction when the liquidation or exaction is made more than 10 months after the date of the entry, appraisement, or transaction; or

"(2) any assessment of duty on household or personal effects in respect of which an application for refund has been filed, with such employee as the Secretary of the Treasury shall designate, within 1 year after the date of entry."

"SEC. 422. Conversion of currency.

"(a) Section 25 of the act of August 27, 1894, as amended and reenacted (U. S. C., 1946 ed., title 31, sec. 372 (a)), is repealed, and section 522 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 31, sec. 372) is amended to read as follows:

"SEC. 522. Conversion of currency.

"(a) The Secretary of the Treasury shall keep current a published list, expressed in United States dollars, of the par values which he finds are maintained by foreign countries for their respective currencies. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.

"(b) If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange

payable in United States currency or other currency.

"(c) If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or rates so certified which reflect effectively the value of that foreign currency in commercial transactions.

"(d) When there are one or more rates of exchange which vary by more than 5 percent from the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. In that event such additional rates of exchange may be certified in the manner set forth in subsection (b) and the par value and any certified rates shall be applied in the manner prescribed in subsection (c)."

"(b) Section 481 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1481 (a)) is amended by deleting subparagraph (7) and by renumbering subparagraphs (8), (9), and (10) as (7), (8), and (9).

"(c) Section 481 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1481 (b)) is amended by deleting ', stating whether gold, silver, or paper.'

"SEC. 423. Transfers of goods in bonded warehouse.

"(a) Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)), is further amended to read as follows:

"(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisal under section 501 of this act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may rise under subsection (c) of this section or section 562

or 563 of this act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers."

"(b) Notwithstanding any other provision of this title, the foregoing subsection (a) shall be effective with respect to merchandise entered after the date of the enactment of this title and to merchandise which has been entered before that date and is the subject of a transfer within the purview of section 557 (b) of the Tariff Act, as amended by this title, and made after the date of the enactment of this title.

"SEC. 424. Customs supervision.

"The Tariff Act of 1930, as amended, is further amended by adding following section 645 (U. S. C., 1946 edition, title 19, sec. 1645) a new section 646, reading as follows:

"SEC. 646. Customs supervision.

"Wherever in this act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct."

"SEC. 425. Saving clause.

"Except as may be otherwise provided for in this title, the repeal of existing law or modifications thereof embraced in this title shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal case prior to such repeal or modification, but all liabilities under such laws shall continue, except as otherwise specifically provided in this title, and may be enforced in the same manner as if such repeal or modification had not been made."

Mr. DOUGLAS. Mr. President, the amendment which I have proposed will add a new Title IV on the subject of custom simplification in the pending bill.

The substance of this amendment has been taken from the bill introduced in the House by Congressman JENKINS, H. R. 5877. This is the bill which is substantially similar to H. R. 5106, previously introduced by Congressman JENKINS, on which the Ways and Means Committee held hearings on May 27-29, 1953. According to the notation in the CONGRESSIONAL RECORD for June 19, 1953—page D585—the committee approved this bill with certain amendments and instructed that a clean bill be drafted and introduced embodying those half dozen changes. H. R. 5877 was the result.

These two House bills in the 83d Congress are very similar in form to H. R. 5055 of the 82d Congress which passed the House of Representatives October 15, 1951.

It was sent to the Senate, but the Senate Committee on Finance did not act on it.

I believe it is generally understood that the substance of the bill on which my amendment is based was drafted and sent up by one of the executive departments of this administration.

The principal purpose of my amendment—as it is the purpose of H. R. 5877—

is to modernize and simplify the administrative and procedural laws affecting customs in order to give improved service to the importing public; to reduce the difficulties, delays, and risks now confronting businessmen; and to reduce the costs of the customs service to taxpayers.

This general objective is aimed at by provisions in my amendment which, among other things, will do the following:

First. Simplify and make more just the formulas for appraising merchandise for the assessment of ad valorem duties.

At the present time there are approximately five different bases of value which are used, and it is never clear which basis is to be used. Restrictive court interpretations have increased the difficulties.

Second. Provide a more modern method for converting amounts in foreign currency to amounts in American currency.

Third. Eliminate special marking requirements and require only such marking as will indicate the country of origin of the imported merchandise, with additional authority for relief in hardship cases.

Fourth. Authorize the institution of a modern program of internal audit.

Fifth. Eliminate time-consuming and cumbersome procedures in connection with warehouse transfers.

Sixth. Permit correction by customs officers of admitted errors without appeal to the courts.

This also is important, in view of the fact that the United States Customs Courts have a terrific backlog of over 60,000 cases of appeals for reappraisal alone, with which they have not dealt. Tariff classification cases pending at the end of 1952 aggregated over 80,000.

Seven. Repeal the provision for undervaluation penalties.

The amendment proposes no change in the tariff structure.

A few brief comments about some of the principal features of the amendment will serve to demonstrate its importance.

VALUATION

The most important provision of this amendment, section 415, would result in the elimination of "foreign value" and the use of "export value," if ascertainable, as the preferred method of valuation. Since the present law stipulates the mandatory determination of foreign value for almost all commodities subject to valuation, this change would eliminate a large volume of work by the Customs Service and by businessmen. Moreover, "export value" more closely approximates the actual price of import goods. Treasury officials have testified that this provision would not appreciably affect the level of valuation or the amount of customs collections.

The bill proposes other changes to bring closer into line with business practices such customs valuation concepts as "usual wholesale quantities," "ordinary course of trade," and "such or similar merchandise." It would also rectify the present inequity due to the inclusion in

customs value of internal taxes imposed by many producing countries.

The Bell report, issued earlier this year by the advisory board headed by Daniel W. Bell, highlighted some of the difficulties in the present valuation system as follows:

Under the present valuation system, delay and confusion are so common that the law must be regarded as unworkable. In recent years, as imports have become varied and numerous, the number of invoices held by customs appraisers for more than 90 days has increased sharply and was just short of 100,000 on June 30, 1952. By the end of 1952 this backlog had shot up to 124,000. Despite efforts by the Customs Service to limit foreign investigations, more than one-third of these cases are awaiting the results of value or cost of production investigations in foreign countries. Another third are awaiting action by examiners or replies from the Customs Information Exchange, which collates information on value and classification from the many customs offices around the country. The Exchange reported 6,496 cases in the fiscal year 1952 for which appraisers' values differed. These differences are resolved by the appraisers or, in the case of persistent disagreement, by the Customs Bureau in Washington.

After an appraisal is finally made, many cases are appealed to the Customs Court, mainly by the importer and, in rare cases, by collectors of customs, for reappraisal. At the end of the fiscal year 1952, the number of such pending appeals was 63,000 and was rising rapidly. During the last 2 fiscal years nearly 30,000 cases were received by the Customs Court, but only 4,266 cases were decided.

In other words, less than one-sixth of the number of reappraisal cases submitted were decided.

The amendment which I am offering would improve these valuation procedures in such a way as to eliminate the major causes of these costly delays and uncertainties.

CURRENCY CONVERSION

The provisions of the amendment for conversion of currency (sec. 422) will eliminate the obsolete requirement that the Secretary of the Treasury publish quarterly the gold content of foreign coins, and it will facilitate economical administration of the customs laws by permitting customs officers to employ par values of foreign currencies from a list kept current by the Secretary. When there is no such par value, or when there are one or more rates of exchange which vary by more than 5 percent from the par value, the applicable rates would be those certified by the Federal Reserve Bank of New York.

If greater certainty can thus be introduced into the determination of the rate of currency conversion to be employed, as well as into valuation methods, one of the great hindrances to importation will be removed. Some instances were reported to the House Committee in 1951 in which it took more than 10 years for the Customs Service to determine the proper conversion rate.

MARKING REQUIREMENTS

The proposed amendment—in section 404—would also repeal the burdensome and arbitrary "special marking" requirements for many classes of imported goods. These articles would, however,

still be subject to the general marking provisions of the Tariff Act, and thus give consumers information on the country of origin of the products they buy. This change has been recommended particularly because of the desire of medical men and scientists in this country to secure needed instruments for their purposes. Relief is also made available by action of the Secretary in hardship cases involving marking. Thus some relief would be afforded from the inflexibility of present, detailed legal requirements relating to the marking of imported goods.

VARIOUS IMPROVEMENTS

In addition to modernizing the internal accounting procedures of the Bureau of Customs—section 402—eliminating delays in warehouse transfers—section 423—permitting correction of customs officers' errors without court action—section 421—and removing the inequitable penalties on undervaluation—section 419—this amendment will help to achieve further economy of administration in a number of respects.

ECONOMY OF ADMINISTRATION

First, in the case of American goods returned, the amendment will eliminate unnecessary investigations, paper work, and search of records to establish trivial amounts of draw-back or tax refunds which may have been paid on export of the American goods being returned.

In the case of free entry for noncommercial exhibitions, the amendment will make the preservation of customs bonds on such exhibits after 5 years unnecessary.

In the section on free entry for travelers, the amendment will eliminate unnecessary touring permit procedure and bonding procedure covering nonresidents' automobiles.

In the case of administrative exemptions, the amendment will eliminate waste of customs manpower in assessing and collecting trivial amounts of duty.

In the case of customs supervision, the amendment will ratify existing practice in assigning such supervision as necessary, and will make it clear that a direct and continuous supervision, imposed without regard to more pressing needs for the services of customs personnel, is not required.

EASING OF PROCEDURAL REQUIREMENTS FOR IMPORTERS

The amendment will ease procedural requirements for importers in many of the sections to which I have earlier referred and in addition (a) by eliminating detailed documentation required to establish nonreceipt of drawbacks or refunds on export; (b) eliminating customs bonds on the baggage of nonresidents in transit up to a value of \$200, and eliminating such bonds or touring permits in connection with nonresidents' automobiles; (c) by making it unnecessary to reexport and reenter samples when further use in the United States is desired after a lapse of 1 year; (d) by permitting authorized agents, and not just plane pilots, to sign cargo manifests; (e) by increasing the use of in-

formal procedures and eliminating complicated documentation for the entry of small value shipments; (f) by simplifying the verification of documents; and so forth.

The importance of making the improvements I have mentioned, and others which are included in the amendment, to reduce the delays and uncertainties, is further underlined by the tremendous backlog of unliquidated customs entries. As of December 30, 1952, according to the Bell report, 723,077 unliquidated formal entries, valued at over \$100 million, were reported on hand by collectors' offices. These were entries on which duty or compliance with other laws had not been finally determined by customs.

I know, Mr. President, that the recital of these detailed facts and provisions may seem somewhat boring. But if we really want freer trade and if we wish to make it more possible for a larger volume of trade to occur, a simplification of customs procedures is one of the most essential things for us to do.

I am sorely afraid that in renewing the Reciprocal Trade Act for 1 year, all we are doing is giving paper support and lip service to the idea of reciprocal trade, but that, in effect, nothing will happen. We need a bold, forward step to broaden trade, to permit European countries to sell more to us, and to permit us to sell more to them, because we cannot continue to export unless we import. This amendment will be a real administrative contribution to the cause of freer trade.

Mr. President, I submit that the amendment provides for a carefully thought-out procedure which comes from the administration. It was requested by the previous administration, and it has been requested by the present administration. I hope both parties will join in making it really possible to have freer trade between the nations. The adoption of this amendment will be a major step in that direction.

The PRESIDING OFFICER (Mr. POTTER in the chair). The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. MILLIKIN. Mr. President, the amendment proposed by the distinguished senior Senator from Illinois covers a very complicated subject matter. The Senator from Illinois wants action in order to bring about customs simplification.

The Jenkins bill is in the House of Representatives, and there have been several weeks of hearings on it, and I am informed that the plan is to move forward with the bill next week.

I do not know how often we have to repeat that under the Constitution the House of Representatives originates revenue bills. The Senate may amend them, and sometimes the Senate has amended them in important respects.

When the House is in the midst of doing the very job the senior Senator from Illinois wishes to have done, and is moving with expedition, and has held hearings, to propose in the Senate now a measure on the same subject, and to think for one moment that it will be accepted in conference, under the circumstances I have detailed, is extremely

naive of the extremely sophisticated Senator from Illinois. Such a measure would die in conference. The House is extremely jealous of its prerogative to originate revenue legislation, and should be.

As I have said, there have been times when the Senate has added important amendments to tax measures; but it can be taken as a certainty that there is no chance for the Senate to do anything of that kind now and to have it accepted by the House of Representatives, especially since, as I have already pointed out, the House of Representatives has undertaken to meet the very objectives the Senator from Illinois wishes to have met.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, for myself and other Senators, whose names I shall state presently, I desire to offer an amendment to strike out title I and insert in lieu thereof the substance of Senate bill 2138. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out title I of House bill 5495 and to insert in lieu thereof the following:

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of 3 years from June 12, 1953.

SEC. 3. Sections 3 and 4 of the Trade Agreements Extension Act of 1951, approved June 16, 1951, are hereby repealed.

SEC. 4. Section 4 of the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate."

SEC. 5. The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1516), shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign-trade agreement entered into under section 350 of the Tariff Act of 1930 (19 U. S. C., sec. 1351).

SEC. 6. The President is authorized to suspend the application of section 5 or section 11 of the Trade Agreements Extension Act of 1951 in the case of any country, when he finds that such action will contribute to the establishment of international good will or promote the cause of world peace.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, this amendment is offered for myself and other Senators: namely, the Senator from Missouri [Mr. HENNING], the Senator from Montana [Mr. MURRAY], the

Senator from Illinois [Mr. DOUGLAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Oregon [Mr. MORSE], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from New York [Mr. LEHMAN].

The purpose of the amendment is to turn back the clock; it seeks to return the reciprocal trade agreements program to the status it once enjoyed when it was conceived by Cordell Hull and enacted into law under the administration of Franklin D. Roosevelt, in 1934. It eliminates many of the limitations placed on the program since that time.

Mr. Hull, a great Tennessean, felt that trade was an avenue not only to economic stability among the nations of the world, but also to peace.

I was rereading Mr. Hull's memoirs the other day. I was greatly interested in one homey little story that he told in his memoirs. He said that when he was a boy on the farm in Tennessee they had two neighbors who disliked each other exceedingly. The neighboring farmers would not speak when they met at church or in the country store. Then one year each had a problem. One of the farmers had a mule that went lame before he had completed his spring plowing. The other ran out of corn to feed his hogs. The one with the lame mule had a good supply of corn and the one with the corn had a good strong mule to spare. A friend intervened and arranged a trade. The one with the strong mule sold his mule to the farmer who needed to do the plowing and the other, in turn, sold his corn to the neighbor who had no corn. Both of them thus pulled through their plight, because, as Mr. Hull points out, a mutually beneficial trade was arranged and thereafter they became the best of friends.

Mr. President, what is true of the two farmers is certainly true of nations.

We have been at times in our history a so-called high tariff protectionist Nation. There was a time when this may have been partially justified. There was a time when we, the youngest of the nations, were building up our own domestic manufactures and as a matter of public policy, correctly or incorrectly, decided that we would erect high tariff barriers.

If such a policy were justified, it is certainly no longer needed. Our domestic manufacturers have long since passed the stage when they need protection in any substantial way from foreign competition. We pride ourselves under our free-enterprise system of having developed the most efficient manufacturers in the world. Certainly with their efficiency and know-how they can more than beat any foreign competition as far as the domestic market is concerned.

On the other hand, they stand to benefit tremendously from an expansion of foreign markets in which they can do business. It is inconceivable that these foreign markets can possibly expand and enable other nations to buy our goods unless we in turn show our willingness and desire to buy from them. Other-

wise, they cannot get the dollars with which to make purchases. This is particularly true as we cut down on foreign aid, for in many ways the foreign-aid program constituted a subsidy to foreign trade. With foreign-aid contracting—and I think we all agree that it should be cut and that eventually it must be eliminated—then the thing to take its place is trade. Actually, a healthy economy for both ourselves and our allies is best obtainable from trade, for when we are selling to our friends that means that we are manufacturing at home; that means that our plants are working and giving employment to our people; and in return it means that they are selling to us, also having their plants in full production, and giving employment to their peoples.

Mr. President, the proposal we are sponsoring has a number of sections which I should like to discuss rather briefly, after which I will yield to answer any questions Senators may have to ask. The proposal I present differs from the bill under consideration in the following ways:

First, it extends the reciprocal trade agreements for a period of 3 years rather than for 1 year. The President has asked for a 1-year extension. I think that Democrats and Republicans, industry and labor, have applauded him for having done so. He has stated that he wants to set up a commission to study our trade policies and at the end of 1 year the commission will have reported and further legislation can then be enacted by the Congress, based upon the recommendations of that commission. I think that it is a well-established fact that a period of 1 year is too short a period to give foreign traders any confidence at all in the stability of the trade policy of this Nation. One engaged in foreign trade would therefore be very hesitant about his business arrangements and agreements if he should think that they might be jeopardized at the end of a brief 1-year period. There would be little incentive for a business or manufacturing firm to make large-scale investments in trade which they have no way of knowing might be made economically impossible or at the very least economically unfeasible at the termination of the short period of months. Since the extension date is from June 12 the proposal contained in the pending bill would not even amount to a full year's extension.

Mr. President, the businesses and industries of our Nation seem to be substantially unanimous in the feeling that there should be a longer extension than 1 year. For example, the United States Chamber of Commerce, with which I do not often agree, but with which I certainly do agree in this instance, says:

The limited period for which the act runs and the necessity, therefore, for periodic reenactment of the legislation—possibly with stultifying amendment—makes it difficult for business men both abroad and at home to enter into long-range planning.

The automatic termination provisions has made it difficult for the United States to develop a long range trade program and to retain the confidence of the rest of the world in the leadership of the United States. * * *

Although this has allowed an opportunity for the Congress to examine the operation of the program it has cast considerable doubt on the stability of the United States trade policy.

I read from the testimony of Meyer Kestnbaum, president of Hart-Schaffner & Marx and chairman of the board of trustees of the Committee for Economic Development, which appears at page 1702 of hearings on Trade Agreement Extension Act of 1953, House Ways and Means Committee:

Reducing barriers to international trade should be a basic permanent part of American policy. The authority for reciprocal trade agreement should be renewed for a period sufficiently long to reflect that fact. * * * Business at home and abroad should not be subject to the uncertainties that result from annual debate over its renewal. * * * Accordingly we recommend that consideration be given to an extension of the authority that would stand unless repealed by law.

Mr. President, the reciprocal trade agreements program, since it was enacted in 1934, has become a sound part of the national policy of this Nation. It has from time to time been renewed, but much of the effectiveness of the trade program in arranging long-time agreements with the nations with whom we do business has been lost by reason of the short extensions made on previous occasions.

Mr. President, I am for the study proposed by President Eisenhower. This amendment does not touch that feature of the bill. I hope the study will proceed and the recommendations will be sent to the Congress. If we make a 3-year extension, there is certainly no reason why we ourselves cannot proceed to study the recommendations of the President's commission whenever they are received and incorporate into law any we think are justified. But there is no reason to discourage the foreign trade of this Nation while waiting for the recommendations of the President's commission.

Second, my proposal differs from the bill under consideration in that it does away with the peril-point provision. My amendment restores the language of the original Trade Agreements Act, requiring the President, before concluding an agreement, to seek information and advice of the United States Tariff Commission, among others. The peril point, on the other hand, substitutes the judgment of the Tariff Commission for the judgment of the President and his Cabinet officials as to what tariff concessions should be offered in trade-agreement negotiations. Therefore, it sets up an arbitrary figure based not upon the consideration of all factors involved. In many ways it may be the reverse of the spirit of the reciprocal trade agreement program. I think this is actually the most important feature of the amendment I am proposing, and I hope to show in further discussion of this proposal that it does not open the door to wild or extensive cuts in tariffs which would in any way jeopardize domestic industry.

Third, Mr. President, my amendment also provides that protests against spe-

cific rates and classifications shall not apply with respect to an article of a class or kind covered by a reciprocal trade agreement. This provision was in the original Trade Agreements Act. It was eliminated in 1951. I should like to see it restored, mainly for the psychological benefit it might have in convincing foreign countries that we mean it when we say we want to embark upon a trade, not an aid, program. I frankly do not think it would have much actual result other than the psychological benefit that it would achieve in encouraging the expansion of trade.

Fourth, my amendment also authorizes the President of the United States to suspend the application of section 5 and section 11 of the Trade Agreements Extension Act of 1951 when the President finds that such action will contribute to the establishment of international good will or promote the cause of world peace.

In other words, sections 5 and 11 of the Extension Act of 1951 would remain in effect unless the President felt that some contribution, in his judgment, would be made to the cause of peace by making some amendments or changes in tariffs which are covered by the limitations in those sections.

The two sections which I have indicated of the 1951 Extension Act apply specifically to the Soviet Union or Communist China, or to any nation which might be under Communist domination. At present we are not trading with Communist China, and I do not propose that we engage in such trade at any time in the foreseeable future. Certainly we would not trade with China while we are engaged in a war with the Communist Chinese in Korea. However, the President has enunciated a stirring foreign-policy message in which he has challenged the leaders of the Kremlin and the satellites to join with us in seeking peace.

This proposal of President Eisenhower was applauded by Democrats and Republicans alike in the Congress and by the American people. I can foresee that in seeking to implement that speech, the President might very well need to have the authority which I am here undertaking to grant him in reestablishing trade with the nations which we have challenged to join us in establishing peace.

I am willing to trust the President of the United States, who is of a different political party than the one to which I adhere, with that authority, as I believe sincerely and honestly that he would use it only in the furtherance of the best interests of the United States. I believe that President Eisenhower would use it only in our own hard-headed self-interest.

We know that the effort of the Soviets is to try to grab all the trade in the world it can get. I believe the President should be able to hold out a prize to those who may break away from Communist domination and who might be willing to come to our side in this world struggle. I think we ought to be able to show them the possibility of entering into trade negotiations, if that will

strengthen our hand or help to bring about world peace.

We have been much stirred by what has taken place in East Berlin recently. It shows that there might be possibilities, if the President of the United States has a prize of trade which he can hold out to nations that may break away from their Communist masters, of obtaining some concessions that would be beneficial to us.

Mr. President, these are the only provisions of my amendment that are different from those in the extension bill. They are, at least, in the spirit of encouraging rather than of retarding the trade of the United States. I think that for our own selfish interest, as well as for our interest stemming from a higher motive, it is absolutely essential that we do something, and do it quickly, to encourage trade.

Mr. President, I have made the point that this does not mean that there would be any sudden or extensive elimination of remaining tariffs. I want to emphasize that there is nothing in my proposal that need cause any disturbance to domestic manufacturers despite the fact that the peril point amendment is eliminated. In order to make this plain, I would like to review briefly some of the things that have taken place under the reciprocal trade agreement programs since they were originally conceived and inaugurated.

The original Trade Agreements Act was passed in 1934. It contained certain basic limitations. Among them the limitation that no duty could be decreased or increased by more than 50 percent; that no article could be transferred from the dutiable to the free list; and that the agreements must be renewed and reviewed periodically.

Between 1934 and 1947, trade agreements were negotiated bilaterally with 29 countries. In 1947 the general agreements on trades and tariffs—commonly known as GATT, was negotiated with 22 countries and later was expanded to include some 34 contracting parties. These agreements in effect replace some 13 of the most important bilateral agreements that had previously been negotiated. Meanwhile, Congress in 1945 in renewing the act had imposed the 50 percent limitation on rates in effect in 1945. The effects of these trade negotiations has, of course, been a considerable reduction in many commodities below the 1939 and 1945 rates so that in many instances the large part of the 50 percent leeway which Congress gave the President has been used up. While my amendment repeals the peril point, it therefore does not open the door for any wholesale reduction of duties because all that the President would have the authority to do would be to continue the negotiations within the remaining part of the 50 percent authorization which he has not yet used.

I have a list of the remaining reduction authority on a number of articles, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Tariff schedule	United States dutiable imports 1949	Reduction in rates from Jan. 1, 1945, to Aug. 1, 1951	Remaining reduction authority
	Thou. dol.	Per cent	Per cent
1. Chemicals, oils, and paints.....	78,451	34	16
2. Earths, earthenware and glassware.....	59,461	32	18
3. Metals and manufactures of.....	338,414	28	22
4. Wood and manufactures of.....	97,551	38	12
5. Sugar, molasses, and manufacture of.....	345,179	31	19
6. Tobacco and manufactures of.....	75,337	41	9
7. Agricultural products and provisions.....	484,693	22	28
8. Spirits, wines, and other beverages.....	89,500	44	6
9. Cotton manufactures.....	22,649	22	28
10. Flax, hemp, jute and manufactures of.....	141,755	42	8
11. Wool and manufactures of.....	234,209	25	25
12. Silk manufactures.....	21,477	44	6
13. Manufactures of rayon or other textile synthetic.....	7,233	44	6
14. Papers and books.....	21,399	35	15
15. Sundries.....	223,359	21	29
Free list taxable.....	454,419	0.5	49.5

Mr. KEFAUVER. Mr. President, although the remaining negotiating authority as shown in some of these categories still seems considerable, experts in foreign trade have testified that actually little negotiating room remains. The reason for this is that the bulk of the items of particular interest to most countries with which we do business have already been considerably reduced in agreements with those countries. There would certainly be a large area for new agreements with Japan and part of our foreign policy is to build up Japan as a bastion of democracy in the Far East. On a country by country basis, the remaining possibility for negotiating seems to be about as follows:

Some authority remains for negotiations with the United Kingdom—which authority would be increased if the peril point provisions were repealed. But, even in that event, little or no authority, for practical negotiating purposes, remains vis-a-vis Italy, France, Austria, Greece, Turkey, Norway or Sweden. There is somewhat, but not much, more authority vis-a-vis Canada. On wool, reductions of 25 percent of the 1945 rate are still authorized, but wool has always been the subject of special scrutiny in the Congress: further negotiations with Australia, New Zealand, and South Africa would largely depend on this situation. It is very difficult to predict how attractive concessions still available would seem to Belgium, Holland, and Luxembourg.

Mr. President, I stated a while back that it was absolutely essential that we do something to revitalize our foreign trade. An example of rapidly declining world markets is proof enough of that conception.

Take the case of cotton. For the current marketing year which ends the 31st of this month cotton exports will be 3½ billion bales. This is a 2-billion-bale decline from the marketing year which ended last July 31 and is 1 mil-

lion bales below the 5-year postwar average. European spinners are buying cotton on a day-by-day basis because they do not have the funds with which to stock it. They will not have the funds unless trade is encouraged on a two-way basis—with us buying from Europe in order that we might sell to Europe.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is not what the Senator from Tennessee says is true of cotton also true of tobacco?

Mr. KEFAUVER. Yes; it is true of tobacco. I have here statistics that foreign exports in tobacco fell 25 percent in the past year.

Mr. DOUGLAS. Is it not true that exports of tobacco have declined still further during the first 6 months of 1953?

Mr. KEFAUVER. I understand that exports of tobacco have declined. I saw the figure, but I have forgotten it. Possibly the Senator from Illinois can supply it. It has been a substantial decline.

Mr. DOUGLAS. Is it not also true that the export market for wheat is shrinking?

Mr. KEFAUVER. My information is that the exports of wheat fell more than 6 percent from 1951 to 1952. In the last 6 months there has been proportionately an even greater decline.

Mr. DOUGLAS. By reason of the failure of Great Britain to sign the International Wheat Agreement, is there not a prospect that there will be a still further decline in the exportation of wheat?

Mr. KEFAUVER. Yes; I am certain the Senator is correct. I believe there will be a further substantial decline in the exportation of all our agricultural products, but especially wheat, by reason of the failure of Great Britain to sign the International Wheat Agreement.

Mr. DOUGLAS. Has the Senator noticed a falling off in the sale of farm machinery to farmers during the spring months of this year?

Mr. KEFAUVER. I have been advised by dealers in farm equipment that there has been a substantial falling off. The same is also true of manufacturers, whose production is much less.

Mr. DOUGLAS. Is it not true that farm machinery is a product we could sell abroad, if foreign countries had dollars with which to buy it?

Mr. KEFAUVER. That is true. Foreign countries want American farm equipment. Our farm equipment is the best manufactured. We can compete with manufacturers of farm equipment in other countries.

Mr. DOUGLAS. Is that not also true of automobiles? If we take more Australian and New Zealand wool, those countries, in return, will want to buy their automobiles and trucks from us.

Mr. KEFAUVER. I believe that is especially true of automobiles, which are made on a mass production basis in the United States. Not only would Australia and other nations that buy automobiles be benefited, but by making more automobiles, we would have a lar-

ger domestic market for cotton and many other farm products.

Mr. DOUGLAS. Is not that true of adding machines, machine tools, and a wide variety of other products, as well?

Mr. KEFAUVER. The Senator is entirely correct.

Mr. DOUGLAS. How can we build up the exportation of those goods unless we permit foreign countries to sell to us?

Mr. KEFAUVER. It is impossible. There must be a 2-way street. I think all of us agree that we have not been making progress in our trade program during the past few years. Of course, we have had many difficulties, but now is the time when we must have a great renewal of our foreign trade, both from the viewpoint of sound domestic economy, and from the viewpoint of meeting the increasing economic effort that is being put forth by countries under Communist control.

Mr. DOUGLAS. Does not the Senator believe that unless there is a broad expansion of trade, we are likely to have a depression in this country, and that the responsibility will be, in large part, on those who follow a do-nothing policy, so far as trade is concerned?

Mr. KEFAUVER. I think the Senator is exactly correct. Unless we can bring about an expansion and enlargement of foreign trade, there is likely to be a repetition of the kind of depression we experienced before, which to some extent, at least, resulted from the building of high tariff barriers, which brought foreign trade to a virtual standstill.

Mr. DOUGLAS. Does the Senator remember the Hawley-Smoot-Grundy tariff of 1930, which raised tariffs to an all-time high, and had two results: First, shutting off our foreign markets; and second, reprisals against us in the form of retaliatory tariffs imposed by other nations of the world; so that the final result was an intensified depression in this country, and a worsening of international relations?

Mr. KEFAUVER. I certainly do remember that. I agree with the Senator from Illinois that high tariff barriers built up at that time had much to do with, and probably were directly responsible for, the depression in the United States.

I think also that the high tariffs played their part in building up the power of Hitler and Mussolini, by forcing the industries of those countries to allow their governments to do their bargaining for them. It gave them increased power, and resulted in blocked currencies, barter, and the rise of the influence of Hitler and Mussolini.

Mr. DOUGLAS. Does the Senator find himself somewhat disappointed at the failure of the administration to adopt a bolder policy in stimulating trade?

Mr. KEFAUVER. I think President Eisenhower and the administration are to be complimented upon asking that the reciprocal-trade-agreements program be renewed substantially in its present form for a year. However, I personally—and I think a great many other Americans, including certainly a great many people interested in agriculture and industry, as

well as organized labor—have expressed disappointment that there has not been a bolder effort, that there has not been an effort to extend the reciprocal-trade-agreements program for a longer time.

Mr. DOUGLAS. Is it not also true that the estimable purposes of the President would be furthered if we could adopt the amendment which the Senator from Tennessee is proposing, and if we could really move forward into a bold and aggressive policy of foreign trade, instead of a timid policy which permits the child of foreign trade to be stifled in the confines of the Tariff Commission?

Mr. KEFAUVER. The Senator is correct. It seems to me that we are now at a place where the soundness of the reciprocal trade agreements program has been tested over a long period of years. It is not a partisan program by any means. It has bipartisan support. It is a sound part of our established foreign policy. The urgent need for a bold step to extend foreign trade is illustrated by what is taking place in the world today, and particularly by the bid being made by the Communists to gobble up trade with many other nations, trade which we ought to be seeking. We need a longer extension of the program in order to seek it effectively.

Mr. DOUGLAS. Does the Senator from Tennessee agree with the Senator from Illinois that what is likely to happen is that the dominant group will be able to wash their hands of responsibility in this matter by saying that they have renewed the reciprocal trade agreements program for a year, but, through packing the Tariff Commission and through other methods, they will prevent any extension of trade, and in effect narrow the channels of trade rather than widening and deepening them?

Mr. KEFAUVER. That is certainly an argument which will be made with respect to what is in the minds of some who are seeking the 1-year extension. That argument would not be justified if a bolder step were taken, if a 3-year extension were asked, and if no effort were made to enlarge and pack the United States Tariff Commission.

Mr. President, I appreciate the contribution of the Senator from Illinois and his elaboration upon the necessity for a bolder step in furthering the foreign policy and the trade policy of the United States.

There are many nations today which will trade either with us or with our competitor in the world. I think we need to give the President and the administration the greatest possible freedom commensurate with our own responsibilities, to enable them to enter into trade agreements. We have been told that we cannot foster a trade program successfully if it is to be in effect for only a short time. It will be difficult to persuade other nations to enter into agreements which might be changed in a short time. We cannot go through the process of renewing such agreements from year to year, which would be necessary with the 1-year limitation.

In addition to many of the things which we manufacture, and with respect

to which our exports are down, I should like to call attention to the fact that exports of dairy products are down nearly 50 percent from last year.

Another important crop in my own State is tobacco. Exports of tobacco are down 25 percent. Mr. President, I mention these just as examples and because I happen to be very familiar with them because of their importance to my own State. However, what I have said about them is true, in differing degrees, of many agricultural and manufactured products.

Farm exports in 1952 fell 15 percent in annual value—from \$4,040,000,000 in 1951 to \$3,425,000,000. Wheat is down 6 percent. Dairy products are down nearly 50 percent.

Comparing last year with 1951, let me mention declines in exports in various manufactured products.

Synthetic fibers and manufactures are down 9 percent.

Coal and related products are down 16 percent.

Automobiles and related products are down 16 percent. I might mention parenthetically that this condition is not even good for General Motors, and therefore certainly cannot be good for the country.

Chemicals and related products are down 16 percent.

Office machines and parts are down 25 percent.

Cotton manufactures are down 20 percent.

The Senator from Illinois is eminently correct in stating that unless we can find some way to increase our foreign trade we shall have unemployment; we shall have a recession or a depression of some kind. However, aside from the domestic situation it is absolutely necessary, in the interest of our foreign policy, to try to build good will with other nations, to try to win other nations away from domination by the Soviet Union. The President should have wider authority, and over a longer period of time, to enter into reciprocal trade agreement programs.

Everyone who has studied this problem has stated that we must seek to simplify our tariff structure if we are to maintain a healthy economy at home, and help our friends abroad maintain healthy economies, so that they will be in position to join with us in maintaining the democratic system in the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5495) was read the third time and passed.

Mr. MILLIKIN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of

Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MILLIKIN, Mr. BUTLER of Nebraska, Mr. MARTIN, Mr. GEORGE, and Mr. BYRD conferees on the part of the Senate.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the bill be printed showing the amendments of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CHIPERFIELD, Mr. VORYS, Mr. JUDD, Mr. RICHARDS, and Mr. BATTLE were appointed managers on the part of the House at the conference.

ORDER FOR CALL OF THE CALENDAR

Mr. KNOWLAND. Mr. President, I ask unanimous consent that on Monday next the Senate proceed to the consideration of unobjected-to bills on the calendar, beginning at the point where the previous call ended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, in addition to the unobjected-to bills, beginning at the point where the previous call of the calendar ended, my attention has been called by the clerk to the fact that at the last call of the calendar—and I invite the attention of the minority leader to this—calendar No. 220, House bill 662, went over until the next call of the calendar. So I think it is very clear that that bill would be included in the calendar call.

Calendars Nos. 274 and 379, being respectively, Senate bill 879 and Senate bill 1748, were passed to the foot of the calendar, at the last call of the calendar, but apparently were not reached. The situation with respect to those two bills is not so clear. I have consulted with the minority leader. I believe those two bills should be included in the next calendar call, and I ask unanimous consent that they be so included.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, I would remind the Senate that earlier in the day, after consultation with the minority leader and, I understand, with some Senators who originally had raised some objection, the Senator from Wyoming [Mr. BARRETT] asked that Calendar No. 265, H. R. 444, be included in the calendar call on Monday. Unanimous consent has been given to do that, but I wanted the entire information available at one place in the RECORD, both for the benefit of the re-

spective calendar committees and the Members of the Senate as a whole.

Mr. President, I desire to say that the Senate that I am above to move that the Senate proceed to the consideration of Calendar No. 479, H. R. 5246, making appropriations for the Departments of Labor, Health, Education, and Welfare, which will be the order of business on Tuesday, following the call of the calendar of unobjected-to bills on Monday.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Some Senators, who do not have any special interest in the calendar call, are making certain plans. So far as I am informed, no controversial matters are likely to be brought before the Senate on Monday. Can the majority leader give us any information on the subject?

Mr. KNOWLAND. I will say to the distinguished minority leader that I know of no controversial matters which will be brought before the Senate on Monday.

I have no plan to do anything other than to have the call of the calendar. The only additional business which I would want to be able to handle would be that if a conference report came from the House on which immediate action was necessary, but which was not of a highly controversial nature, I would wish to take it up also on Monday.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that it be ordered that upon the conclusion of its business today the Senate stand in adjournment until 12 o'clock noon on Monday, July 6, 1953.

The PRESIDING OFFICER (Mr. POTTER in the chair). Is there objection? The Chair hears none, and it is so ordered.

EXPRESSION BY CONGRESS FOR THE AMERICAN PEOPLE IN BEHALF OF THE RIGHTS AND FREEDOMS OF EAST GERMANY

Mr. KNOWLAND. Mr. President, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 36, which was unanimously reported today by the Committee on Foreign Relations. The matter has been discussed with the minority leader. The Senator from Utah [Mr. WATKINS] is prepared to make a statement regarding it and also why he believes action should be taken on it today.

The PRESIDING OFFICER. The concurrent resolution will be stated by its title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Con. Res. 36) expressing the hopes of the American people for the early unification of Germany by free elections and for the achievement by the people of East Germany of their basic human rights and freedoms.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. WATKINS. Mr. President, in recent weeks the Soviet Government has found that it cannot subjugate free people. The Kremlin is sitting on a powder keg of subjugated people. The people of East Germany have dropped a spark into the tinder box and the Soviet Union does not know what to do.

Mr. President, there is one thing we in this Congress can do. We can let the people of East Germany know that we are aware what they struggle for. They struggle for the basic, inalienable, God-given rights and freedoms for which we fought in 1776. Our hearts and our sympathies are with them.

The resolution itself is the best statement of its objectives and purposes. I ask unanimous consent that the clerk may read the resolution. It is not very long.

The PRESIDING OFFICER. Without objection, the clerk will read the concurrent resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 36), as follows:

Whereas the American people have long accepted the basic principles set forth in the American Declaration of Independence of 1776 in the following words: " * * * that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed,—That whenever any Form of Government becomes destructive of these ends, it is the Right of the people to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness."; and

Whereas the people of East Berlin and East Germany have so courageously demonstrated their strong devotion to these principles of freedom and justice by their heroic resistance to the Soviet-controlled East German regime and mindful that the United States secured its freedom by popular revolt against tyranny; and

Whereas the Soviet regime, being unable to win the allegiance of the people under its rule, knows no other method of achieving the compliance of the people to their dictatorship than by force of arms, terror, murder, imprisonment, reprisals, and mass deportation; and

Whereas the cause of freedom cannot be contained and will eventually triumph: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States in behalf of the American people hereby expresses the firm conviction that the people of East Germany are entitled to their basic, inalienable God-given rights and freedoms for which they are now struggling.

SEC. 2. It is further expressed to be the firm conviction of the American people that the people of Germany, now presently divided, have the right to be a unified nation governed by their own consent by the free expression of popular will in free elections.

SEC. 3. The Congress of the United States further expresses in behalf of the American people its friendship and sympathy with the people of East Germany, particularly those who have suffered at the hands of the Communists because of their patriotic defiance of Communist tyranny, and denounces

the action of the Communist regime in killing, imprisoning, and deporting those who have openly demonstrated their love of liberty and justice, and asserts that this sacrifice for freedom will aid the cause of freedom in all the Communist enslaved nations and will inspire freedom-loving people everywhere.

Mr. WATKINS. Mr. President, it is very appropriate, on the eve of the 177th anniversary celebration of our Declaration of Independence, that we should express for the heroic people of East Germany and of other satellite sections of the globe our sympathy and our support, and to point out to them that people can win freedom even though they be not armed as their oppressors are armed. By their action in East Germany they destroyed the myth of Communist invincibility. They stood with their bare hands—hundreds of thousands of them—in protest and they were able to win some concessions. They were not fighting merely for an increase in wages or better terms or more food or something of that sort. Their protest was an expression of the human spirit for freedom such as we acquired back in the Revolutionary days of this Republic.

Mr. President, I have a statement which was made by the Secretary of State on June 30, 1953, on the subject of the uprisings in East Germany, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CAPTIVE PEOPLES

At his news conference today, Secretary of State John Foster Dulles made the following remarks:

"I have long believed and preached that the Soviet was overextended, having under its control some 600 million non-Russians representing what had been 15 or more independent nations. I have been confident that these people could not be molded into the Soviet Communist pattern, particularly if the free peoples kept alive the hope of the captives and showed them that they were not forgotten.

"There has now developed extensive unrest within the satellite countries of Europe. It demonstrates that the people do retain their love of God and love of country and their sense of personal dignity. They want to run their own affairs and not be run from Moscow.

"The unquenchable spirit of the people was dramatized in East Berlin, where unarmed youths tore up paving stones from the streets to hurl in defiance at tanks. Such a spirit can never be repressed, and this love of freedom is more and more manifesting itself through the captive peoples.

"The cry everywhere is for 'free elections.' The people want to be governed by those whom they select as responsive to their needs and their desires, rather than to be ruled by those who take their orders from aliens and who give their orders with a view to achieving their own ambitions without regard to the welfare of the people concerned.

"In my book, *War or Peace*, written over 3 years ago, I said 'the Communist structure overextended, overrigid, and ill-founded, could be shaken if the difficulties that were latent were activated.' I went on to point out that this does not mean an armed revolt which would precipitate a massacre, but that short of this the people could demonstrate an independence such that the Soviet Communist leaders would come to recognize the futility of trying to hold captive so many

peoples who by their faith and their patriotism can never really be consolidated into a Soviet Communist world.

"The developments of recent weeks show the correctness of that diagnosis."

Mr. WATKINS. Mr. President, on June 26 Mr. Theodore Lit, of the Division of Foreign Labor Conditions, Bureau of Labor Statistics, of the Department of Labor, made a radio address entitled, "Insurrection in East Germany."

It is a very eloquent statement of the situation, and what it means, and what these brave German people did in their uprisings and in their standing as one for their own freedom. I ask unanimous consent that it be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INSURRECTION IN EAST GERMANY

The insurrectionary riots which swept through East Germany last week like a sullen flame were dramatic in the highest sense and like all true historic drama they bear the most fruitful political and military implications. These events surpass in importance even such milestones in the East-West struggle as the Berlin airlift and Tito's defection from the Kremlin. Because of the terror and suppression imposed upon it by the Soviets the East Zone of Germany has been named the Zone of Silence. The silence has been broken.

The one thing that stands out above all other considerations is the almost unbelievable courage shown by the people, particularly the working people of Sovietized Germany. Untold thousands of workers have dared to demonstrate and strike against the awful might of the Soviet military, hurling against rolling tanks nothing but rocks and slogans. Moved by a common impulse for freedom, virtually an entire population—desperate after 8 years of oppression and exploitation—poured into the streets to express its rage. Behind the unanimity of demands and the uniformity of action spreading through the entire zone from East Berlin to the borders of Poland and Czechoslovakia, one could sense the absence of a specific immediately realizable goal. This was not meant to be the showdown. It was a challenge flung to Moscow and an appeal to the free West. It was the dress rehearsal. Communist propaganda would have the world believe that the uprising was the work of western agents and provocateurs. If these be western agents, then we have virtually 18 million western agents in East Germany down to the two boys whose picture we have all seen throwing stones at Soviet tanks on Leipzigerplatz in East Berlin.

What has been going on in the Soviet Zone of Germany and in East Berlin that could explain these tremendous events? What could have goaded people who value their lives as dearly as you and I value ours, to disregard all ordinary considerations of caution and self-preservation and dare to do what has never before been done on such a scale in the cruel Soviet Empire?

The East Zone is a smaller model, with some variations of its own, of the U. S. S. R.—in a word, a satellite police state held in the iron grip of the Kremlin. Soviet control has been maintained through a network of institutions and power organs which up to now has effectively stifled any of the freedoms which are for us the very air we breathe. The native population suffers not only all the indignities borne under the Nazi regime, but also the unendurable additional agony of squirming under the heel of a foreign power. The methods of control and suppression are by now well known. In the first

line there is the Soviet Army ready at all times to intervene and crush in its infancy any sign of revolt. This has been tragically demonstrated this last week. There has also been set up the East German Communist Party, whose function it is to furnish the Bolshevik theoretical window dressing for Soviet exploitation. And, of course, to complete the melancholy picture, there slithers through the population the ever-present secret police, spying and denouncing, sending hundreds of thousands to concentration camps and to forced labor in the Soviet-owned uranium mines.

What is the condition of the workers in Soviet Germany? As we all know, the Communists claim that they are building a workers' paradise in their orbit. In fact, however, the workers in East Germany live under conditions—to quote a West German labor leader—incomparably worse than those prevailing in the darkest days of the early industrial revolution.

Their standard of living, in terms of food, clothing, and housing, is barely marginal except for favored highly skilled workers. This sad situation is the result of many factors. In line with general Soviet policy, the main emphasis is on heavy industry, with a cynical disregard for the production of consumer goods. Heavy industry, after all, is needed for the Russian Soviet war machine. As for consumer goods, there is always more than enough produced to satisfy not only the needs, but the greed of the ruling elites, the big boys in the army, and the party and the secret police, not to speak of the managers of the state-owned plants.

In addition to being underpaid and underfed, the East German worker is subjected to a speedup system which has never been seen in the Western World. He is driven by so-called trade unions, whose function is not to protect the interests of the worker but to see that labor productivity is constantly increased. The union functionaries are officially directed to devote the major part of their activity to whipping up more production. This evil became so apparent that the Communist Party was forced to admit that there are innumerable factories where the union officials appear as the agents of the factory manager, slinking through the plant like terrified orphans, anxious not to make trouble and not accepted by the workers as their representatives.

The speedup system in the East Zone, an ingenious device, follows the Russian Soviet model. It is based on three elements—piecework, the so-called norm, and Socialist competition. The norm, simply expressed, is the amount of production the worker or groups of workers must put out in order to receive their regular pay. The inhuman aspect of the Soviet work system is the fact that the norm is constantly being raised in an unfair and unbureaucratic manner. The result is that when the norm is raised, in order to receive his accustomed wage the worker is forced to work almost beyond human endurance. Should he be unable to produce more, the worker, in effect, receives a wage cut. As you will no doubt recall, it was the administrative raising of the general work norms by 10 percent that touched off the recent strikes and demonstrations.

The so-called Socialist competition is another technique devised by the Soviets to increase the speedup in the workers' paradise. The work arrangement is so set up that workers individually or in groups, vying for prizes or monetary premiums, race against each other in increasing production by fulfilling or overfulfilling the economic plan.

An analysis of East German collective agreements, which are, of course, collective agreements in name only, reveals other gimmicks which would serve only to infuriate any free worker. Thus work norms are established not by the average worker but by

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House committee reported drought-relief bill, and Rep. Hill commended it. House passed bill and discussed bill to modify mining laws regarding national forests. House sent trade-agreements bill to conference. Senate committee ordered reported drought-relief bill. Senate subcommittee voted to report wheat-quota bill. Senate passed Labor-HEW appropriation bill. Sen. Humphrey urged use of surplus food for foreign aid. Sen. Griswold introduced and discussed bill to stabilize cattle industry.

HOUSE

1. DROUGHT RELIEF. The Agriculture Committee reported with amendment H. R. 6054, to authorize emergency loans and supplies for drought relief (H. Rept. 714)(p. 8338). Rep. Hill spoke in support of the bill and reviewed the actions of the Committee and the Department to provide relief (pp. 8327-8).
2. FORESTRY. Discussed and, on objection of Rep. Hope, passed over H. R. 4983, to amend the mining laws regarding public lands. Rep. Miller, Nebr., said H. R. 5358, the Hope bill, should be pending before the Interior and Insular Affairs Committee instead of the Agriculture Committee. Rep. Price urged adequate legislation to protect against abuses under the mining laws. (pp. 8286-7.)
Passed without amendment H. R. 3956, to authorize sale of a forest tract in N. Mex. to Ed Clements (p. 8307).
The Interior and Insular Affairs Committee ordered reported (but did not actually report) H. R. 2921, to provide for management of certain reclamation-project lands in S. Dak. as national-forest land (p. D666).
Passed with amendments H. R. 334, to amend the Materials Act so as to prohibit location and patenting of mining claims under the U. S. mining laws, where such locations are based upon discovery of deposits of sand, stone, gravel, and cinders; and to provide that such deposits, when situated on public lands, can be acquired only under the Materials Act (p. 8297).

3. LAND TRANSFERS. The Agriculture Subcommittee 3 approved the following bills for reporting to the full Committee: H. R. 2458, to transfer a Forest Service tract at Cherry Point, N. C., to the Navy Department; H. R. 3097, to transfer a grape research station to the University of Calif.; H. R. 4017, to convey a rural-rehabilitation tract to an Ark. school district; and H. R. 5888, to transfer a cotton field station to N. C. (p. D666).

The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 1797, to convey certain lands to the Okla. A&M College (p. D666).

4. TRADE AGREEMENTS. Reps. Reed of N. Y., Jenkins, Simpson of Pa., Cooper, and Dingell were appointed conferees on H. R. 5495, the trade agreements bill (p. 8299). Senate conferees were appointed July 2.

5. TRANSPORTATION. Passed as reported H. R. 3792, to authorize ICC to revoke, amend, or suspend water carrier certificates and permits under certain conditions (p. 8299).

6. PERSONNEL. Passed without amendment S. 1684 (in lieu of H. R. 5706), to facilitate civil-service appointments of persons who lost opportunity therefor because of military service after June 30, 1950, with benefits comparable to those granted World War II veterans (p. 8292). This bill will now be sent to the President.

The "Daily Digest" states: "The Gross subcommittee today considered two bills...H. R. 2754 and H. R. 2308, ...dealing with modifications of the Veterans' Preference Act -- and recommended the legislation favorably. The subcommittee is having drafted language which will combine the principle of both bills into one measure. This legislation in its final form will provide that veterans must make a passing grade before being placed on a civil-service register and, secondly, that before veterans are entitled to the special preference of 10 points and going to the top of a register they must have a compensable disability (10 percent at the present time). These changes will not affect veterans who are already on established civil-service registers." (p. D667.)

Passed without amendment H. R. 5228, to provide a retirement annuity for the Comptroller General (pp. 8309-13).

7. EDUCATION. Passed without amendment H. R. 5691, to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with aid of, the executive branch (p. 8284).

The Rules Committee reported a resolution for consideration of H. R. 6049, to provide aid for education in federally affected areas (pp. 8284, 8338).

8. RECLAMATION. The Interior and Insular Affairs Committee ordered reported (but did not actually report) H. R. 4551, to amend the Reclamation Act of 1939 by removing authorization of projects by the Secretary of the Interior (p. D666).

9. FEDERAL REGISTER. Passed as reported H. R. 1806, to provide statutory authority for publication by the Administrative Committee on the Federal Register from time to time as deemed necessary (pp. 8290-1).

10. ELECTRIFICATION. The Public Works Committee reported without amendment H. R. 4351, to authorize electric-power development of the Niagara Falls and River (H. Rept. 713)(p. 8338).

11. INFORMATION. Passed without amendment S. 971, to authorize films and related material for educational use to be transmitted through the mails at the rate provided for books (p. 8295). This bill will now be sent to the President.

approximately at the location of the bridge to be replaced, and upon the completion of the new bridge the Commission may with the approval of the proper authorities in the Dominion of Canada close the old bridge to traffic or may continue to maintain and operate it. The net revenues of such new bridge shall be subject to the same pledges, if any, previously made of the net revenues of the bridge replaced by it. Such new bridge shall be constructed in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to all applicable provisions, conditions, and limitations contained in this joint resolution and to the approval of the proper authorities in the Dominion of Canada."

With the following committee amendment:

Page 4, lines 4 and 15, strike out "Dominion" and insert "Government."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER CARRIER CERTIFICATES AND PERMITS

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 130, the bill (H. R. 3792) to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That part III of the Interstate Commerce Act, as amended, is amended by inserting immediately after section 312 the following new section:

"REVOCATION OF CERTIFICATES AND PERMITS

"Sec. 312a. Certificates and permits shall be effective from the date specified therein, and shall remain in effect until suspended or terminated as provided in this section. Any certificate or permit may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may upon complaint, or on the Commission's own initiative, after reasonable notice and opportunity for hearing, be suspended, changed, or revoked, in whole or in part, for willful failure to comply with any provision of this part, or with any lawful order, rule, or regulation of the Commission promulgated under this part, or with any term, condition, or limitation of such certificate or permit. The right to engage in transportation in interstate or foreign commerce by virtue of any certificate or permit, or by virtue of any application filed pursuant to section 309 (a) or any temporary authority granted under section 311 (a), may be suspended by the Commission upon reasonable notice of not less than 15 days to the carrier, but without hearing, for failure to comply, and until compliance, with the provisions of section 306 (a) or 306 (c) or with any lawful order, rule, or regulation of the Commission promulgated thereunder."

Sec. 2. The table of contents in section 301 of the Interstate Commerce Act, as amended

(49 U. S. C., sec. 901), is amended by inserting immediately after and below

"Sec. 312. Transfer of certificates and permits."

the following new item:

"Sec. 312a. Revocation of certificates and permits."

With the following committee amendment:

Page 2, line 10, after the period strike out the balance of the line and down to and including line 20.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of the eligible bills on the Consent Calendar today.

EXTENDING AUTHORITY OF PRESIDENT TO ENTER INTO TRADE AGREEMENTS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. REED of New York, JENKINS, SIMPSON of Pennsylvania, COOPER, and DINGELL.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JOHN W. McBRIDE

The Clerk called the bill (S. 140) for the relief of John W. McBride.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (5 U. S. C. 765-770), are hereby waived in favor of John W. McBride for compensation for disability caused by an injury allegedly sustained by him on or about March 13, 1943, while in the performance of his duties as an instructor at the Army Air Forces Technical School, Sioux Falls, S. Dak., and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Bureau of Employees' Compensation not later than 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be read a third time, was read the third time, and passed,

and a motion to reconsider was laid on the table.

TERRY L. HATCHETT

The Clerk called the bill (H. R. 4097) for the relief of Terry L. Hatchett.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JARMAN and Mr. TRIMBLE objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

OTHO F. HIPKINS

The Clerk called the bill (H. R. 4799) for the relief of Otho F. Hipkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Otho F. Hipkins, the sum of \$25,000. The payment of such sum shall be in full settlement of all claims of the said Otho F. Hipkins against the United States for services performed and expenses incurred in connection with the planning, development, and demonstration of a practical traction device for the United States Army, the United States Court of Claims (congressional No. 17866, decided April 7, 1953, pursuant to House Resolution 734, 81st Cong., 2d sess.) having found that the United States received substantial benefits from the work and efforts of claimant.

Mr. ROBERTS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: On page 1, line 5, after the words "the sum of", strike out "\$25,000" and insert "\$10,000."

The amendment was agreed to.

Committee amendment: At the end of bill add ": Provided, That no part of the amount appropriated in this act in excess of 25 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. ROBERTS. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS to the committee amendment: On page 2, line 5, after the words "in excess of", strike out "\$25,000" and insert "\$10,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AV-EQUIP MANUFACTURING CO.

The Clerk called the resolution (H. Res. 256) providing for sending to the United States Court of Claims the bill (H. R. 4661) for the relief of the Av-Equip Manufacturing Co.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 4661) entitled "A bill for the relief of Av-Equip Manufacturing Co.," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MRS. ALBERTA S. ROZANSKI

The Clerk called the bill (H. R. 5410) for the relief of Mrs. Alberta S. Rozanski. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the national service life insurance (FV-1217165, V-1241985) granted in the amount of \$10,000 to the late Dr. Frank S. Rozanski, effective January 26, 1951, shall be held and considered to have been in full force and effect at the time of his death on March 5, 1951, and the Administrator of Veterans' Affairs is authorized and directed to pay such insurance to Mrs. Alberta S. Rozanski, widow of the said Dr. Frank S. Rozanski and designated beneficiary of such insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA GABRIEL

The Clerk called the bill (H. R. 5511) for the relief of Clara Gabriel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitation placed upon the time within which notice of claim for return of property may be filed under section 32 (a) of the Trading With the Enemy Act, as amended, is hereby waived in favor of Clara Gabriel, a citizen of Germany, and her claim for return of her share of the estate of Teresa Gabriel (Alien Property Custodian file No. D-28-9051; vesting order No. 5981) shall be received, considered, and acted upon under such section 32 (a), if she files such notice of claim for return with the Alien Property Custodian not later than 60 days after the date of the enactment of this act.

Sec. 2. After considering and acting upon the claim of the said Clara Gabriel as provided for in the first section of this act, the Alien Property Custodian shall certify to the Secretary of the Treasury the amount, if any, to which the said Clara Gabriel is entitled under such section 32 (a), and the Secretary of the Treasury shall pay to the said Clara Gabriel, out of any money in the Treasury not otherwise appropriated, the amount so certified, in full settlement of all claims of the said Clara Gabriel against the United States for the return of her share of the estate of Teresa Gabriel (Alien Property Custodian file No. D-28-9051; vesting order No. 5981).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM F. THOMAS

The Clerk called the bill (H. R. 948) for the relief of William F. Thomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William F. Thomas, postmaster at the United States post office, at Rich, Miss., the sum of \$370.39. Payment of such sum to the said William F. Thomas represents reimbursement to him for the amount which he was required to pay the United States by reason of the theft of post-office funds on March 31, 1951, from the United States post office at Rich, Miss. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY CLAY MAULL, JR.

The Clerk called the bill (H. R. 2396) for the relief of Harry Clay Maull, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for 60 days after the date enactment of this act, the United States Government life insurance (K 855097; FK 697573), issued, in the amount of \$5,000, to Harry Clay Maull, Jr., shall be held and considered to be in full force and effect for the purpose of renewing such insurance. The Administrator of Veterans' Affairs is authorized and directed to renew such insurance (in the same manner and to the same extent that such insurance could have been renewed prior to August 1, 1948), if the said Harry Clay Maull, Jr., within 60 days after the date of enactment of this act, files an application requesting such renewal and tenders the appropriate premiums therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MRS. FLORENCE D. GRIMSHAW

The Clerk called the bill (H. R. 3217) for the relief of Mrs. Florence D. Grimshaw.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Government life insurance (K926994) granted to the late David W. Grimshaw in 1932 and converted in the amount of \$2,500 effective June 1, 1937, shall be held and considered to have been in full force and effect at the time of his death on July 14, 1951, and the Administrator of Veterans' Affairs is authorized and directed to pay such insurance to Mrs. Florence D. Grimshaw, widow of the said David W. Grimshaw and designated beneficiary of such insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

FRANK ST. CHARLES

The Clerk called the bill (H. R. 4104) for the relief of Frank St. Charles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$125 to Frank St. Charles, of 343 South Main Street, Butler, Pa., in full settlement of his claim against the United States for erroneous induction into the Armed Forces and service therein for a period which lasted from September 30, 1950, to June 1, 1951; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "\$5,000," and insert "\$125."

Page 1, line 8, after the word "for", insert "expenses sustained as a result of his."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

ESTATE OF MARTIN A. GLEASON

The Clerk called the bill (H. R. 4958) for the relief of the estate of Martin A. Gleason.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$800 to the estate of Martin A. Gleason, of Flushing, Long Island, N. Y., in full settlement of all claims against the United States for property damage sustained as the result of an accident involving a United States Maritime Commission vehicle bearing license No. 15MC-796, at the intersection of Clintonville Road and 14th Road, county of Queens, State of New York, on November 26, 1943; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. RUTH R. EKHOLM

The Clerk called the bill (H. R. 711) for the relief of Mrs. Ruth R. Ekholm.

There being no objection, the Clerk read the bill, as follows:

TRADE AGREEMENTS EXTENSION BILL OF 1953

AUGUST 1, 1953.—Ordered to be printed

Mr. REED of New York, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5495]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

Strike out "Sec. 104." in the first line of the Senate amendment and immediately above the matter proposed to be inserted by the Senate amendment insert the following section heading:

SEC. 104. EMERGENCY ACTION UNDER SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT.

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 201. EFFECT OF DIVIDED VOTE IN CERTAIN CASES.

Section 330 of the Tariff Act of 1930, as amended, is hereby amended by adding a new subsection (d) reading as follows:

“(d) EFFECT OF DIVIDED VOTE IN CERTAIN CASES.—

“(1) Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the Commission: Provided, That if the commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in this paragraph the Commission shall transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

“(2) Whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question. Whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question.”

And the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Nine members of the Commission (including at least five who are Members of Congress) shall constitute a quorum.

And the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(a) *IN GENERAL.*—*The Commission is directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.*

And the Senate agree to the same.

DANIEL A. REED,
RICHARD M. SIMPSON,
JERE COOPER,
JOHN D. DINGELL,

Managers on the Part of the House.

EUGENE D. MILLIKIN,
HUGH BUTLER,
EDWARD MARTIN,
WALTER F. GEORGE,
HARRY FLOOD BYRD,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment, which adds a new section 103 to the bill, provides that the enactment of the bill shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade. The House recedes.

Amendment No. 2: This amendment, which adds a new section 104 to the bill, amends section 22 (b) of the Agricultural Adjustment Act to provide that in a case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under section 22 of the Agricultural Adjustment Act, as amended, without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President. The House recedes with a clerical change.

Amendment No. 3: Section 201 of the House bill provided for an increase in the membership of the United States Tariff Commission from 6 to 7 Commissioners, and provided for a corresponding increase in the terms of office for Commissioners from 6 to 7 years. Senate amendment No. 3 strikes out section 201 of the House bill and inserts a new section which provides that whenever, in any case calling for findings of the United States Tariff Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the Commissioners are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of Commissioners voting may be considered by the President as the findings and recommendations of the Commission. The amendment also provides that if the Commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in the preceding two sentences, the amendment requires the Commission to transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

The House recedes with an amendment which retains the language of the Senate amendment and in addition provides that (1) whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of Commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question, and (2) whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of Commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question.

Amendment No. 4: Section 304 of the House bill provided that a quorum of the Commission on Foreign Economic Policy (established by title III of the bill) shall consist of 4 members appointed by the President of the United States, 3 members appointed from the Senate by the Vice President of the United States, and 3 members from the House of Representatives appointed by the Speaker of the House of Representatives. Under the Senate amendment any nine members of the Commission would constitute a quorum. The House recedes with an amendment providing that 9 members of the Commission, including at least 5 who are Members of Congress, shall constitute a quorum.

Amendment No. 5: Section 306 (b) of the House bill provided in effect that service of an individual who is appointed from private life to be a member of the Commission on Foreign Economic Policy, and service for the Commission pursuant to the authority of the Commission to procure temporary and intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), shall not be considered as service or employment bringing such person within the provisions of certain sections of title 18 of the United States Code (commonly referred to as "conflict of interest" provisions). Senate amendment No. 5 struck out the reference in the House bill to section 1914 of title 18 of the United States Code which prohibits the payment of any Government salary by any person other than the Government. The Senate recedes.

Amendment No. 6: Under subsection (a) of section 309 of the House bill the Commission on Foreign Economic Policy would be directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility, and foster the highest possible levels of trade consistent with the national security and a strong domestic economy.

Under Senate amendment No. 6 the Commission would be directed to examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for stimulating its sound enlargement.

Under the conference agreement the Commission would be directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our

foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

DANIEL A. REED,
RICHARD M. SIMPSON,
JERE COOPER,
JOHN D. DINGELL,

Managers on the Part of the House.

○

44. PERSONNEL. Sen. Watkins said the present Administration has protected the civil service, and he inserted a list of laws passed 1933-1952 which authorized employment without regard to the civil service and classification laws (pp. 11107-8).
45. FARM PROGRAM; ELECTRIFICATION. Sen. Morse inserted various statements regarding the farm program and spoke on additional electrification proposals (pp. 11118-33).
46. RECESSED until Mon., Aug. 3 (p. 11134).
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47. POTATO SUPPORTS. The Agriculture Committee reported without amendment H. R. 3895, to permit Irish potato price supports (H. Rept. 1080)(p. 11221).
48. COMMODITY EXCHANGES. The Agriculture Committee reported without amendment H. R. 6435, to extend the Commodity Exchange Act to onions (H. Rept. 1082)(p. 11221).
49. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1954. House conferees were appointed on this bill, H. R. 4974 (p. 11160).
50. TAXATION; PAYROLLING. Recommitted H. R. 6413, to permit the withholding by the Federal Government from wages of employees certain taxes imposed by municipalities (pp. 11162-75).
51. LAND TRANSFER. Passed without amendment S. 2163, to transfer a BPISAE cotton-research field station to N. C. (p. 11181). This bill will now be sent to the President.
52. CORN MARKETING QUOTAS. Passed without amendment H. J. Res. 321, to postpone the proclamation of 1954 corn quotas until Feb. 1, 1954 (pp. 11181-3).
and agreed to (pp. 11205-7)
53. TRADE AGREEMENTS. Received the conference report on H. R. 5495, to extend the authority for reciprocal trade agreements (p. 11221). The "Daily Digest" states, "Results of the conference are as follows:
"(1) The House receded in its disagreement to the Senate amendment providing that the enactment of H. R. 5495 expresses neither approval nor disapproval of General Agreement on Tariffs and Trade.
"(2) The House receded, with a clerical change, in its disagreement to the Senate provision amending section 22 (b) of the Agricultural Adjustment Act which provides for emergency action by the President without awaiting the recommendations of the Tariff Commission.
"(3) The conferees agreed to keep the membership of the Tariff Commission at six; and also agreed that in votes as to whether investigations or hearings shall be held resulting in a tie, such proceedings shall occur.
"(4) The House receded with an amendment in its disagreement to the Senate provision that a quorum of the Commission on Foreign Economic Policy shall consist of 9 members, of whom at least 5 shall be Members of Congress." The conferees also acted on other provisions regarding membership and scope of the Commission. (p. D833.)
54. FARM LOANS. Passed without amendment S. 1152, to authorize USDA to make supplemental loans to fur farmers for 5 additional years (p. 11192). This bill will now be sent to the President.
55. FARM LABOR. Agreed to the conference report on H. R. 3480, to continue the Mexican farm-labor program for 2 additional years (p. 11184). This bill will

now be sent to the President.

56. FOUNDATIONS INVESTIGATION. Agreed to, with amendment, H. Res. 373, to provide funds for an investigation of tax-exempt foundations (pp. 11180-1). Also H. Res. 365.
57. EDUCATION. House conferees were appointed on H. R. 6049 and 6078, to aid school districts in federally affected areas (pp. 11175-6).
58. SUPPLEMENTAL APPROPRIATION BILL, 1954. Agreed to the first conference report on this bill, H. R. 6200 (pp. 11150-9). Received the second conference report on the bill (pp. 11218-20). The \$5,000,000 figure for USDA is retained in the revised conference report.
59. ADJOURNED until Mon., Aug. 3 (p. 11221).

BILLS INTRODUCED

60. WATER; ELECTRIFICATION. H. R. 6708, by Rep. D'Ewart, to require the use of certain reporting procedures by certain Federal agencies which are concerned with water and power development projects; to Public Works Committee (p. 11010).
61. FARM LOANS. H. R. 6711, by Rep. Hope, to further amend section 13 of the Federal Farm Loan Act to authorize the Federal land banks to make a bulk purchase of certain remaining assets of the Federal Farm Mortgage Corporation; to Agriculture Committee (p. 11010). Also S. 2552, by Sen. Schceppel (p. 11016).
62. WATER CONSERVATION. H. R. 6718, by Del. Farrington, to extend certain water and conservation laws to Hawaii; to Interior and Insular Affairs Committee (p. 11010).
63. SURPLUS COMMODITIES. H. Res. 376, by Rep. Matthews, requesting the Secretary of Health, Education, and Welfare to investigate the feasibility of distributing surplus agricultural commodities to needy individuals; to Agriculture Committee (p. 11010.)
64. FORESTRY. S. 2548, by Sen. Aiken (for himself and Sen. Thye), to facilitate the administration of the national forests and other lands under jurisdiction of the Secretary of Agriculture; to provide for the orderly use, improvement and development thereof; to stabilize the livestock industry dependent thereon, etc.; to Agriculture and Forestry Committee. Remarks of author. (pp. 11016-19.)
65. SOIL CONSERVATION. S. 2549, by Sen. Aiken (for himself and others), to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out the works of improvement for soil conservation, etc.; to Agriculture and Forestry Committee. (pp. 11016, 11019-20.)
66. SURPLUS COMMODITIES. S. 2550 by Sen. Aiken (for himself and Sen. Humphrey), to provide for distribution of surplus commodities through a food allotment program; to Agriculture and Forestry Committee. Remarks of author. (pp. 11016, 11020-3.)
67. LIVESTOCK LOANS. S. 2554, by Sen. Murray (for himself and Sen. Humphrey), to authorize the Commodity Credit Corporation to make loans to livestock producers; to Agriculture and Forestry Committee. Remarks of author. (pp. 11016, 11023.)
68. DEBT LIMIT. S. 2577, by Sen. Douglas, to increase the public debt limit by

cific planning is required, particularly with reference to the rehabilitation phase of the program for which the tribe desires \$3,140,000 of tribal funds earmarked.

2. Despite the reluctance of Commissioner Myer, the delegates believe that the program is correct in many respects and although they believe that many of the points raised by Commissioner Myer are deserving of further consideration, they believe that the following projects should be authorized:

a. Three hundred thousand dollars for construction of parochial school at Neopit.

b. Two hundred and fifty thousand dollars for rehabilitation of hospital.

c. Three million and sixty thousand dollars for payment of \$1,000 per capita to each member of the Menominee Tribe. (As indicated above, the delegation thinks that this payment may be made without any possible injury to any other conceivable program authorized by the Menominee Tribe.)

3. If the above limited program is approved by Congress and the Department of the Interior, the delegation will willingly return to the reservation and submit to the Menominee Tribe recommendations along the following lines:

a. Freedom from Federal supervision and assumption of responsibility by tribe of educational, health, welfare, extension and credit, and general and advisory council funds by July 1, 1954.

b. The delegates are willing that the jurisdiction over law and order be transferred from the Federal Government to the tribe, but believe that a definite determination with respect to this must await the outcome of pending legislation such as the O'Konski bill (H. R. 1551) now pending in Congress.

c. Enterprises:

(1) Garment factory: It is believed that the tribe can assume responsibility for sole operation of this project by 1954 or 1955.

(2) Menominee Indian mills: Relieving the Federal Government of supervision over the operation of the Menominee Indian mills presents many serious and complicated problems, including legal and human factors. Experiences of the past have made the Menominee Indians fearful of exploitation by lumber interests in the Great Lakes area. Also, since the Federal Government has done such a worthwhile job of supervising, the Indians are naturally hesitant about relieving the Federal Government of supervision in assuming full responsibilities themselves. They realize, however, that if the Congress considers that continued supervision of operation of the Menominee mills represents a burden to the Federal Government, the Menominee delegation will recommend that the responsibility be transferred to the Menominee Tribe. They feel however that this possibility should be given careful consideration and requires basic legal and management studies. In this connection, the delegation feels that the reports which would be required by the so-called Bosone resolution (H. J. Res. 8) would be helpful for a determination of this problem. Until action is taken on the Bosone resolution (which the delegation favors), it is believed that no definite proposals should be made.

Respectfully submitted.

AL DODGE,

GORDON W. DICKIE,

LESTER DICKIE,

JOHN FOSSUM,

JAMES FRECHETTE,

Menominee Delegates.

Mr. Speaker, I hope the House of Representatives will adhere to its position on H. R. 2828 and reject the Senate bill which is contained in this conference report.

Mr. MILLER of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, I would like to take my 1 minute to say that I have had an opportunity of serving on the committee with the gentleman from Wisconsin, and I found him to be fair. I would, however, I think, be derelict in my duty if I did not call the attention of the House to the hard work that has always been done by the Subcommittee on Indian Affairs. I think that committee has one of the hardest jobs of any committee in the House and yet over the years I think the work of this committee has been less appreciated by the Members of the House than that of almost any other committee.

I have a high regard for the gentleman and for the members of this committee. I am sure there is no question in their minds of anything but fairness in their attempt to solve the problems of the Indians and also as they are related to the problems of the people of the United States.

Mr. MILLER of Nebraska. Mr. Speaker, I yield myself 3 minutes.

The SPEAKER. The gentleman from Nebraska is recognized.

[Mr. MILLER of Nebraska addressed the House. His remarks will appear hereafter in the Appendix.]

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. ENGLE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ENGLE. We are voting now on the adoption of the conference report. If we vote down the conference report do we have a chance to vote upon the Senate amendment?

The SPEAKER. If the conference report is voted down, that is the end of it, unless there is another conference report which would come in later.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. If we vote down the conference report, do the Indians get that church?

The SPEAKER. That is not a parliamentary inquiry.

Mr. BYRNES of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNES of Wisconsin. Mr. Speaker, if the conference report is voted down, can a motion be made to insist on our disagreement to the Senate amendment and ask for the appointment of conferees by the Senate and by the House?

The SPEAKER. That is correct.

Mr. BYRNES of Wisconsin. The bill would then go back to another conference?

The SPEAKER. That is correct. The question is on the conference report.

The conference report was rejected.

TARIFF ACT OF 1930 AS AMENDED

Mr. REED of New York submitted the following conference report and statement on the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1089)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Strike out "SEC. 104." in the first line of the Senate amendment and immediately above the matter proposed to be inserted by the Senate amendment insert the following section heading:

"SEC. 104. Emergency Action Under Section 22 of the Agricultural Adjustment Act."

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 201. Effect of Divided Vote in Certain Cases.

"Section 330 of the Tariff Act of 1930, as amended, is hereby amended by adding a new subsection (d) reading as follows:

"(d) Effect of Divided Vote in Certain Cases:

"(1) Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the Commission: *Provided*, That if the commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in this paragraph the Commission shall transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

"(2) Whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question. Whenever the Commission is authorized to hold hearings in the course

of any investigation and one-half of the number of commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Nine members of the Commission (including at least five who are Members of Congress) shall constitute a quorum."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(a) In General: The Commission is directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices."

And the Senate agree to the same.

DANIEL A. REED,

SID SIMPSON,

JERE COOPER,

JOHN D. DINGELL,

Managers on the Part of the House.

EUGENE D. MILLIKIN,

HUGH BUTLER,

EDWARD MARTIN,

WALTER F. GEORGE,

HARRY FLOOD BYRD,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment, which adds a new section 103 to the bill, provides that the enactment of the bill shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade. The House recedes.

Amendment No. 2: This amendment, which adds a new section 104 to the bill, amends section 22 (b) of the Agricultural Adjustment Act to provide that in a case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under section 22 of the Agricultural Adjustment Act, as amended, without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President. The House recedes with a clerical change.

Amendment No. 3: Section 201 of the House bill provided for an increase in the membership of the United States Tariff Commission from 6 to 7 Commissioners, and provided for a corresponding increase in the terms of office for Commissioners from 6 to

7 years. Senate amendment No. 3 strikes out section 201 of the House bill and inserts a new section which provides that whenever, in any case calling for findings of the United States Tariff Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the Commissioners are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of Commissioners voting may be considered by the President as the findings and recommendations of the Commission. The amendment also provides that if the Commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in the preceding two sentences, the amendment requires the Commission to transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

The House recedes with an amendment which retains the language of the Senate amendment and in addition provides that (1) whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of Commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question, and (2) whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of Commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question.

Amendment No. 4: Section 304 of the House bill provided that a quorum of the Commission on Foreign Economic Policy (established by title III of the bill) shall consist of 4 members appointed by the President of the United States, 3 members appointed from the Senate by the Vice President of the United States, and 3 members from the House of Representatives appointed by the Speaker of the House of Representatives. Under the Senate amendment any 9 members of the Commission would constitute a quorum. The House recedes with an amendment providing that 9 members of the Commission, including at least 5 who are Members of Congress, shall constitute a quorum.

Amendment No. 5: Section 306 (b) of the House bill provided in effect that service of an individual who is appointed from private life to be a member of the Commission on Foreign Economic Policy, and service for the Commission pursuant to the authority of the Commission to procure temporary and intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), shall not be considered as service or employment bringing such person within the provisions of certain sections of title 18 of the United States Code (commonly referred to as "conflict of interest" provisions). Senate amendment No. 5 struck out the reference in the House bill to section 1914 of title 18 of the United States Code which prohibits the payment of any Government salary by any person other than the Government. The Senate recedes.

Amendment No. 6: Under subsection (a) of section 309 of the House bill the Commission on Foreign Economic Policy would be directed, within the framework of our for-

eign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment over-seas and currency convertibility, and foster the highest possible levels of trade consistent with the National security and a strong domestic economy.

Under Senate amendment No. 6 the Commission would be directed to examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for stimulating its sound enlargement.

Under the conference agreement the Commission would be directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

DANIEL A. REED,

SID SIMPSON,

JERE COOPER,

JOHN D. DINGELL,

Managers on the Part of the House.

Mr. REED of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. REED of New York. Mr. Speaker, the only real point of controversy with respect to this bill involved the composition of the Tariff Commission. I feel sure that questions on any other points can be quickly resolved by reference to the statement of the managers.

The House bill provided for a 7-man Tariff Commission, thus increasing the present membership by 1. The bill passed by the other body retained the present 6-man Commission, but provided that where the Commission was evenly divided on its findings in any case, the findings would be transmitted to the President for his decision. It was the opinion of the House conferees that that amendment did not go far enough in resolving the problem of an evenly divided Commission. As a result, we receded with respect to the 6-man Commission with a further amendment. This amendment provides, in substance, that if the members of the Commission voting divide evenly on the question of whether or not to initiate an investigation or hold hearings with respect to a complaint, the investigation or hearing, as the case may be, shall be held. It is the opinion of the majority of the House conferees that the Senate provision so amended is acceptable and will do much to remove many of the problems which arise by virtue of having an evenly numbered Tariff Commission.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I am opposed to this conference report, but I do not flatter myself that I will change many votes or change the trend. But, I am against the bill. You will remember back there several months ago we had what was known as the Simpson bill, a bill that had taken a lot of work and a lot of trouble, and it had been worked upon by the best lawyers in the country. You will remember that the miners were interested, the pottery people were interested, the railroad men were interested, as well as various other groups, and out of about 100 people who came before the committee only 4, as I remember, testified in opposition to it. They were the Standard Oil Co. of New Jersey, Socony-Vacuum, and two others. The bill was divided, and half of it was passed earlier. That is the half we are talking about now. That is the half that provides for the appointment of a commission of 17, 5 to be appointed by the Speaker, 5 by the Vice President, and 7 by the President, and of those who are not Congressmen, they are to be paid \$75 a day, to gad about the world doing nothing, I think, most of the time. Anyway, I was against it because that frothy part, that unnecessary part of the bill was brought forward and passed, and the essential part that takes care of the miners and all of these different groups of working people throughout the country was kept behind, and it is behind today. When this bill was before the House I told you then that it would pass, but that the other one would never pass. That is exactly what you got. You zinc fellows, you lead fellows, you railroad fellows, you coal fellows, you pottery fellows, you watch men, and all the rest of you, you are just going home empty-handed, absolutely without anything.

That bill had a seven-man board in it. They even took off our amendment and they just have a six-man board. They come in with some honeyed words and say this will happen and that will happen. Nothing will happen except you will have the same old Tariff Commission against which the lawyers have complained and the coal people have complained and everybody has complained. It will be the same old story regardless of what anybody told you.

I am against that bill, and I am against this, but as I said before, I do not flatter myself anybody will pay any attention to what I say at this late hour of the evening.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. HOFFMAN of Michigan. Maybe if you cut off a few of these things, you would not have to raise the debt limit.

Mr. JENKINS. Anyhow, you would save \$75 a day on the people you would have running around over the world. That would be some saving.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Tennessee.

Mr. COOPER. I simply want to state that all of the minority conferees from both the House and the Senate signed the conference report, and we are sup-

porting the adoption of the conference report.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. There is one thing I cannot quite understand. In case the Tariff Commission divides evenly on a recommendation, what occurs?

Mr. JENKINS. It goes to the President.

Mr. EBERHARTER. The decision is left up to the President; is that right?

Mr. JENKINS. That is right.

Mr. COOPER. The decision of both groups goes to the President.

Mr. EBERHARTER. And he makes the final decision?

Mr. COOPER. If three decide one way, and three decide another way, the decisions of both groups go to the President.

Mr. JENKINS. Just the same as now. There will not be any difference.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

PAYMENT OF CERTAIN WAR CLAIMS

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2315) to authorize payment of certain war claims, with House amendments thereto, insist upon the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOLVERTON, HINSHAW, HESELTON, PRIEST, and HARRIS.

TANKERS

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6353) to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BONNER. I object, Mr. Speaker.

PRIVATE FINANCING OF NEW SHIP CONSTRUCTION

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6441) to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of new ship construction, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 1103 of the Merchant Marine Act, 1936, as amended (U. S. C., title 46, sec. 1273), is amended by inserting '(a)' after the section number; and by inserting after the word 'provided' and before the words 'any mortgage offered' the words '90 percent of the unpaid balance of'; and by striking out the last sentence thereof, and inserting at the end of the section the following:

"(b) The Secretary of Commerce is further authorized under such terms and conditions as he may prescribe not inconsistent with the provisions of this title, to insure against loss not to exceed 90 percent of the unpaid balance of principal of loans and advances of credit made to finance the construction, reconstruction, or reconditioning of vessels with respect to which he is authorized to provide mortgage insurance under sections 1101 to 1109, inclusive: *Provided, however*, That the insurance authorized by this title may not be issued unless the Secretary of Commerce finds that the interest rate of the loan or mortgage to be insured is substantially less than the going interest rates generally charged for uninsured ship construction loans or ship mortgages of similar character and in the same area.

"(c) The aggregate amount to insurance of principal obligations of all mortgages and loans under this title and outstanding at any one time shall not exceed \$100 million."

"SEC. 2. Section 1104 (a) (2) and (8) of such act, as amended (U. S. C., title 46, sec. 1274), is amended—

"(1) by inserting in paragraph (2) after the words 'financed by the load or advance' the following 'or, in the case of vessels constructed under title V of this act, involve an obligation in a principal amount which does not exceed 75 percent of the cost of the vessel (exclusive of construction-differential subsidy and cost of national-defense features);';

"(2) by inserting in paragraph (8) after the words 'new loan or advance made to aid in financing' the words 'construction of vessels under title V of this act, as amended, or';

"(3) by amending clause (c) of paragraph (8) to read as follows: 'in foreign trade.'

"SEC. 3. Section 1105 of such act, as amended (U. S. C., title 46, sec. 1275), is amended to read as follows:

"SEC. 1105. (a) (1) In the event of the failure of the mortgagor to pay the principal or interest under an insured mortgage giving the mortgagee the right to foreclose, and failure on the part of the mortgagor to correct the default within 30 days, the mortgagee, provided an assignment of the mortgage and of the notes, bonds, or other evidences of indebtedness secured by the mortgage, and of all collateral held by the mortgagee securing such mortgage be tendered to the Secretary of Commerce at or before the expiration of 45 days from the date of such default, shall thereupon have the right to demand payment of the insured portion of the unpaid balance of principal of said mortgage. If within a period of 60 days from date of such default, the Secretary of Commerce finds that there has been a failure to pay principal or interest under the mortgage or that such failure has not been corrected within the said 30 days, he shall accept the assignment and promptly pay to the mortgagee the insured amount of the unpaid balance of principal of the said mortgage. Upon acceptance of such assignment, the obligations of the mortgagee to pay the premium charges for insurance shall cease.

"(2) In the event of the failure of the borrower to pay principal or interest due under an insured loan, the lender shall have

the benefits of insurance against loss provided under section 1103 (b) of this title upon compliance with the terms and conditions of such insurance.

"(b) Any amount required to be paid by the Secretary of Commerce pursuant to subsection (a) shall be paid out of the fund to the extent that funds are available therein at the time such payment becomes due, and to the extent such funds are not available, the Secretary of Commerce shall pay to the assignor of the insured mortgage any amount required to fully satisfy the claim, which amount is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

"(c) The Secretary of Commerce shall cause the mortgage to be foreclosed and shall repossess the mortgaged vessel forthwith, and take such other action against the mortgagor or any other parties liable under the mortgage or the collateral, that, in his discretion, may be required to protect the interests of the United States and the insured lender, as they may appear, and such suits may be brought in the name of the United States, or in the name of the insured lender or assignee, and such lender or assignee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary of Commerce shall have the right in his discretion to accept a conveyance of title to and possession of the vessel from the mortgagor, and in the event of a sale under foreclosure proceedings, may purchase the vessel for an amount not greater than the insured portion of the unpaid balance of such mortgage or loan. In the event the Secretary of Commerce shall receive through the sale of the vessel or other collateral assigned to him an amount of cash in excess of the amount of any payment under section 1105 (a) (1) and the expenses of collection of such amount, he shall pay to the insured lender such cash amount, but not in excess of 10 percent of the unpaid principal amount of such loan or mortgage, and unpaid interests to which the lender is entitled under the loan.

"(d) Notwithstanding any other provision of law relating to the acquisition, handling or disposal of property by the United States, the Secretary of Commerce shall have the right in his discretion to complete, recondition, reconstruct, renovate, repair, maintain, operate, charter or sell any property acquired by him pursuant to the assignment as provided in this section and may place the mortgaged vessel in the national defense reserve or may sell the same upon competitive bids for not less than the minimum sales price provided by the Merchant Marine Act, 1936, as amended. The buyer shall be required to make cash payment to the Secretary of Commerce of not less than 25 percent of the sale price, and the balance shall be paid in equal annual installments over the remaining period of the expected useful life of such vessel. Interest at the rate of 3½ percent per annum shall be paid on all such installments of the purchase price remaining unpaid. The Secretary shall also have the power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors or persons liable under collateral assigned to the Secretary of Commerce as herein provided.

"(e) Any contract or commitment of insurance entered into by the Secretary of Commerce under this title shall be final and conclusive and shall not be subject to avoidance by any officer, employee, or agent of the United States, except in case of fraud, duress, or mutual mistake of fact."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HARRY CLAY MAULL, JR.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2396) for the relief of Harry Clay Maull, Jr., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 4 and 5, strike out "(K 855097; PK 697573)," and insert "(K 855097)."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

COL. HARRY F. CUNNINGHAM

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2158) for the relief of Col. Harry F. Cunningham, together with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds or property of the Government of Germany or of any nationals of Germany in the possession or under the control of the Government of the United States, or which may hereafter come into the possession or under the control of the United States, to Col. Harry F. Cunningham, of Lincoln, Nebr., the sum of \$12,500. Such sum represents the amount due and owing to the said Col. Harry F. Cunningham for architectural services rendered by him in the 1930's to the German Government in relation to the building of a new German Embassy in Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JEAN TOKUDA

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 482) for the relief of Jean Tokuda.

The Clerk read the title of the bill. The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jean Tokuda, shall be held and considered to be the natural-born alien child of Mr. and Mrs. William A. Powell, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

T. K. LI

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2462) for the relief of T. K. Li.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, T. K. Li shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALDA CIMERMANIS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1969) for the relief of Valda Cimermanis.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Valda Cimermanis shall be held and considered to be the minor child of her parents, Miida and Vilis Cimermanis, lawful permanent residents of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LINCOLN, ILL., CELEBRATES 100TH ANNIVERSARY

(Mr. SPRINGER asked and was given permission to extend his remarks.)

Mr. SPRINGER. Mr. Speaker, this year the city of Lincoln, Ill., is celebrating the 100th anniversary of its founding.

President's Message—Social Security: Received a message from the President recommending certain changes and expansion of social security coverage. The message was referred to the Committee on Ways and Means and ordered printed as a House document (H. Doc. No. 225).

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Program for Monday: Adjourned at 7:15 p. m. until Monday, August 3, at 11 a. m., when the House will recess to attend services for Senator Taft, after which it will act on pending conference reports and miscellaneous bills.

Committee Meetings

No committee meetings were held.

Joint Committee Meetings

RECIPROCAL TRADE AGREEMENTS

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 5495, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930. Results of the conference are as follows:

(1) The House receded in its disagreement to the Senate amendment providing that the enactment of H. R. 5495 expresses neither approval nor disapproval of General Agreement on Tariffs and Trade.

(2) The House receded, with a clerical change, in its disagreement to the Senate provision amending section 22 (b) of the Agricultural Adjustment Act which provides for emergency action by the President without awaiting the recommendations of the Tariff Commission.

(3) The conferees agreed to keep the membership of the Tariff Commission at six; and also agreed that in votes as to whether investigations or hearings shall be held resulting in a tie, such proceedings shall occur.

(4) The House receded with an amendment in its disagreement to the Senate provision that a quorum of the Commission on Foreign Economic Policy shall consist of 9 members, of whom at least 5 shall be Members of Congress.

(5) The conferees agreed that an individual appointed from private life to be a member of the Commission on Foreign Economic Policy may continue to receive his salary from private employer. The Senate receded from its amendment which would have prohibited the payment of any Government salary by any person other than the Government.

(6) The House receded with an amendment in its disagreement with the Senate on the provision pertaining to the general statement of the scope of the Commission's study. The amendment provides that the Commission is directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

SUPPLEMENTAL APPROPRIATIONS

Conferees, in a late evening session, agreed to file a second conference report on the differences between the Senate- and House-passed versions of H. R. 6200, supplemental appropriations for the fiscal year ending June 30, 1954.

Also, in an evening session on July 31, the conferees agreed to file the first report on this bill, which was subsequently rejected by the Senate today.

SCHOOL CONSTRUCTION AND ASSISTANCE

Conferees, in executive session, agreed to file conference reports on the differences between the Senate- and House-passed versions of the following two bills: H. R. 6049, to provide for a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities; and H. R. 6078, relative to operating expenses of school districts affected by Federal activities.

ADDITIONAL JUDGESHIPS

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 15, to provide for the appointment of additional circuit and district judges, but did not complete their work, and recessed subject to call.

COMMITTEE MEETINGS FOR MONDAY, AUGUST 3

Senate

Committee on Armed Services, executive, on nomination of Frank D. Newbury, of Pennsylvania, to be Assistant Secretary of Defense, on other nominations, and H. R. 1245, Wisconsin State Armory Board, 10 a. m.; to be followed by open meeting of

Subcommittee on Real Estate and Military Construction on Army, Navy, and Air Force real-estate transactions pending before the subcommittee, both in 212 Senate Office Building.

House

Committee on Ways and Means, Kean subcommittee on investigations of alleged irregularities by officials of the Internal Revenue Bureau, 2 p. m., 1102 New House Office Building.

Résumé of Congressional Activity

FIRST SESSION OF EIGHTY-THIRD CONGRESS

The following are tables on nominations and legislative activity, run monthly in the DAILY DIGEST.

The first table gives a comprehensive résumé of all legislative business transacted by the House and Senate during the session, January 3, 1953, through July 31, 1953.

The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

DATA ON LEGISLATIVE ACTIVITY

January 3 through July 31, 1953

	Senate	House	Total
Days in session.....	123	115	..
Time in session.....	743 hrs., 03'	492 hrs., 41'	..
Congressional Record:			
Pages of proceedings....	6,479	4,533	11,012
Appendix	..	..	5,199
Public bills enacted into law..	72	104	176
Private bills enacted into law..	48	78	126
Bills in conference.....	..	11	11
Bills through conference.....	7	20	27
Measures passed, total.....	603	1,000	..
Senate bills	204	154	..
House bills	231	592	..
Senate joint resolutions..	21	12	..
House joint resolutions..	16	24	..
Senate concurrent resolutions.....	22	15	..
House concurrent resolutions.....	11	14	..
Simple resolutions.....	98	189	287
Measures reported, total.....	*928	*1,010	..
Senate bills	404	120	..
House bills	309	680	..
Senate joint resolutions..	29	7	..
House joint resolutions..	16	26	..
Senate concurrent resolutions.....	22	11	..
House concurrent resolutions.....	13	12	..
Simple resolutions	135	154	289
Special reports	20	27	..
Conference reports	..	38	38
Reported measures not acted on.....	**173	**61	..
Measures introduced, total...	2,858	7,671	10,529
Bills.....	2,545	6,785	9,330
Joint resolutions	108	323	431
Concurrent resolutions..	49	182	231
Simple resolutions	156	381	537
Quorum calls	186	51	237
Yea-and-nay votes	89	69	158
Bills vetoed	1	2	3
Veto overridden	..	..	..

*These figures on measures reported include all placed on calendar or acted on by Senate even if there was no accompanying report. A total of 826 reports has been filed in the Senate; a total of 1,075 has been filed in the House.

**This figure does not agree with the total difference between bills reported and bills passed, because resolutions and bills placed on the House Calendar without having been formally reported were not included in figures of measures reported to the House; the difference in the case of Senate figures is due to uncounted bills "laid on the table" or "indefinitely postponed."

DISPOSITION OF EXECUTIVE NOMINATIONS RECEIVED FROM JANUARY 3-JULY 31, 1953

Postmaster nominations, totaling 7, disposed of as follows:

Confirmed	6
Withdrawn.....	None
Rejected.....	None
Unconfirmed	1

Army nominations, totaling 8,378, disposed of as follows:

Confirmed	8,366
Withdrawn.....	None
Rejected.....	None
Unconfirmed	12

Air Force nominations, totaling 3,825, disposed of as follows:

Confirmed	3,825
Withdrawn.....	None
Rejected.....	None
Unconfirmed	None

Navy nominations, totaling 8,701, disposed of as follows:

Confirmed	8,701
Withdrawn.....	None
Rejected.....	None
Unconfirmed	None

Marine Corps nominations, totaling 908, disposed of as follows:

Confirmed	908
Withdrawn.....	None
Rejected.....	None
Unconfirmed	None

Civilian nominations other than postmasters, totaling 1,526, disposed of as follows:

Confirmed	1,475
Withdrawn	29
Rejected.....	None
Unconfirmed	22

Summary

Total nominations received.....	23,345
Total rejected.....	None
Total withdrawn.....	29
Total unconfirmed	35
Total confirmed.....	23,281

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 4, 1953
For actions of August 3, 1953
83rd-1st, No. 147

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HIGHLIGHTS: Both Houses completed congressional action on supplemental appropriation bill and bill for tax amortization of grain storage facilities. Senate completed congressional action on foreign-aid appropriation and trade-agreements bills. House completed congressional action on animal-disease and Alaska-forest-survey bills. Senate Agriculture Committee announced investigations. Both Houses adjourned sine die.

SENATE

1. FOREIGN-AID APPROPRIATION BILL, 1954. Agreed to the conference report on this bill, H. R. 6391 (pp. 11248-50, 11267, 11269, 11273-7). This bill will now be sent to the President.
2. TRADE AGREEMENTS. Agreed to the conference report on H. R. 5495, to extend the authority of the President to enter into reciprocal trade agreements (pp. 11280-1). This bill will now be sent to the President.
3. SUPPLEMENTAL APPROPRIATION BILL, 1954. Both Houses agreed to the conference report (second) on this bill, H. R. 6200 (pp. 11325-33, 11366-9). The bill will now be sent to the President.
4. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1954. Receded from disagreement to a House amendment (regarding airports) to this bill, H. R. 4974 (pp. 11291-4). The bill will now be sent to the President.
5. EDUCATION. Both Houses agreed to the conference reports on H. R. 6049 and 6078, to aid school districts in federally affected areas (pp. 11317-25, 11369-74). These bills will now be sent to the President.
6. FOOD INSPECTION. Passed without amendment H. R. 5740, to restore factory-inspection authority to the Food and Drug Administration (pp. 11299-308, 11358-9, 11391). This bill will now be sent to the President.

7. TAXATION; GRAIN STORAGE. Passed as reported H. R. 6426, which provides, among other things, an income-tax deduction for amortization of farm storage facilities built in calendar year 1953 and in the 3 succeeding calendar years (pp. 11380, 11385-9). The House agreed to the Senate amendments (pp. 11360-1). This bill will now be sent to the President.
8. INVESTIGATIONS. The "Daily Digest" states that the Agriculture and Forestry Committee: "Agreed to hold field hearings in continuation of the investigation of feed wheat from Canada; tentatively agreed to conduct a followup inspection on the operations of the drought-relief program; and tentatively agreed to hold hearings in the West on grazing policies and land management of the national forests" (p. D838.)
9. PERSONNEL. Sen. Butler, Nebr., inserted a statement from a group of veterans favoring absolute power to dismiss 5% of Government employees (p. 11225). Sen. Douglas spoke in defense of Government employees and recommended various proposals to improve their situation (p. 11237).
10. ELECTRIFICATION. Sen. Lehman inserted Gov. Dewey's testimony favoring State development of Niagara power (pp. 11240-3). Sen. Johnston spoke in favor of public power development in the South (pp. 11380-5). Sen. Morse spoke in favor of public power development, especially the Hells Canyon proposal (pp. 11398-415).
11. DEBT LIMIT. Sen. Byrd spoke against increasing the public debt limit (pp. 11244-7).
12. BANKING AND CURRENCY. Sen. Morse criticized the Administration's monetary and fiscal policies (pp. 11394-8). Sen. Douglas discussed and inserted an analysis by Harriner S. Eccles of monetary and credit policies (pp. 11295-8).
13. TREATY POWERS. Sen. Bricker inserted an article by Felix Morley defending his resolution to limit treaty powers (pp. 11258-65).

HOUSE

14. ANIMAL DISEASES; FOREST SURVEY. Passed without amendment S. 2055, to authorize control and eradication of scrapie and blue-tongue in sheep and minor outbreaks of other animal diseases which may result in larger outbreaks (p. 11342), and S. 725, authorizing a survey of Alaska forest resources (pp. 11342-3). These bills will now be sent to the President.
15. RESEARCH. Passed without amendment S. 977, to provide an open-end appropriation authorization for the National Science Foundation (p. 11344). This bill will now be sent to the President.

ADJOURNMENT

16. Both Houses adjourned sine die and passed a joint resolution providing that the next regular session shall begin Wed., Jan. 6, 1954 (pp. 11366, 11235, 11392, 11363, 11321). Rep. Halleck stated, "So far as I can see there would be no new legislation coming up in a special session, if one is called, which would require action by the House" (p. 11353). All pending bills retain their present status, and action on them will be permissible next year without their being re-introduced.

amples will show why Congress must reserve to itself the opportunity to prevent the Federal Power Commission from joining private power monopoly in decimating the Government's hydroelectric programs.

First let us look at the Roanoke Rapids case and see what happened to a splendid Federal program, to the power supply of rural electric cooperatives and municipal systems, and to the policy established by Congress in section 5 of the 1944 Flood Control Act.

As far back as 1936 and 1938, Congress authorized and directed the Secretary of War to make a survey of the Roanoke River and its tributaries. The Roanoke River is located in Virginia and North Carolina. As a result of the survey, the Chief of Engineers submitted a report to Congress recommending a plan for the comprehensive development of the river basin through construction of 11 dams and reservoirs on a step-by-step basis. Two projects, known as Buggs Island and Philpott, were recommended as the initial steps in the program.

The plan contemplated that construction of other units should be undertaken when warranted by the need for additional power-generating capacity. Among these other units were the Gaston and Roanoke Rapids hydroelectric power projects, which would produce the lowest-cost power in the basin as a result of the waters stored in the Buggs Island project.

The Federal Power Commission, by letter of May 3, 1944, after making suggestions for various changes at proposed dams, concurred in the conclusions as to the desirability of the program. The Chief of Engineers described the comprehensive plan as providing "for the optimum development of the water resources of the basin," but recommended that "the authorization should be broad enough to permit the changes suggested by the Federal Power Commission if found advisable when construction is initiated."

Here was a welcome opportunity in connection with the flood-control program for the many rural electric cooperatives in the States of Virginia and North Carolina to obtain low-cost power supply from their river. They would share the advantages of cheap electricity already enjoyed by fellow farmers in the Tennessee Valley, because the Secretary of the Interior had been authorized by Congress to market the power with a preference to public bodies and cooperatives.

But their hopes were dashed when the Federal Power Commission issued a license to the Virginia Electric & Power Co. to develop the Roanoke Rapids resource, with the prospect that this would be followed by a similar license for the Gaston project.

The two best power projects in a congressionally approved program resulting from a congressionally authorized and financed survey, were turned over to private monopoly in spite of all that the rural electric cooperatives and the former Secretary of the Interior could do about it.

And I cannot refrain from interjecting here that we then had a Secretary of the Interior who fought to the end against the Federal Power Commission "giveaway" of one of the people's fine waterpower resources. This is in striking contrast with the situation we face in the Pacific Northwest today with a new Secretary of the Interior openly abetting the efforts of a private-power company to grab an even greater power resource in the Columbia River Basin.

But before opening up on that situation, I must give the finale of the Roanoke Rapids story. In that case the Secretary of the Interior and the Virginia REA Association fought the case all the way up to the Supreme Court only to have the Court, in a 6 to 3 decision, hold that the Federal Power Commission had the authority to issue the license.

The decision of the Supreme Court makes crystal clear the urgency of adopting the amendment to the Federal Power Act which we are proposing.

When the Federal Power Commission, an agent of Congress, exercises the discretion which the Supreme Court holds that Congress has given it, to give away a water-power resource which Congress, after an authorized survey, has approved as a part of a comprehensive river-basin program, it is high time that Congress act to protect its own prerogatives.

It is high time that Congress acts to close the barn door before any more of the people's hydroelectric horsepower is driven off by private monopoly.

Under section 7 (b) of the Federal Power Act, the Commission could have rejected the application on the ground that the project should be constructed by the United States. As a matter of fact, in its 1944 letter, which became an integral part of the Chief of Engineers' report to Congress, the Commission had so recommended, although in argument before the Supreme Court the Commission's General Counsel tried to wriggle out of the clear meaning of the words. But the Commission ducked its responsibility.

If the proposed amendment to the act is adopted into law, no such miscarriage of the public interest can occur, for, under similar circumstances, the Commission will be estopped from issuing such a license unless it has first reported its findings to Congress and Congress has specifically authorized the issuance.

Today, as a result of the licensing of the Roanoke Rapids project for private development, coupled with the actions of those who control appropriations for transmission lines from Federal projects, the rural electric cooperatives of two States face the necessity of going to private monopoly, as suppliants, for more costly power supply.

I have urged that we close the barn door before the new private-power rustlers steal any more of the people's horsepower. And there are some prime resources already endangered.

Time does not permit me to go extensively into the Kings River case. The Kings River is in California, one of the fine power streams flowing down the west slope of the Sierras, into the great Central Valley. The Bureau of Reclamation earmarked the development of its splendid hydroelectric resources as a part of the Central Valley program, depending on the electricity to provide for low-cost irrigation pumping and for otherwise helping to carry the cost of irrigation projects.

But in this case the big agricultural corporations, who are against the family-sized farm provision of the Reclamation Act, ganged up with the Pacific Gas & Electric Co., giant private-power monopoly of the Pacific coast, to turn this power resource over to the company.

The full development of the power potential of the Kings River basin was made possible by a Federal investment of \$36,429,000 in the Pine Flat dam and reservoir, which provided re-regulation of the waters which would be released from upstream power plants to protect the requirements of irrigation in the lower valley. Yet, in spite of the fact that the Bureau of Reclamation was developing plans for the power projects in the upper basin, the Federal Power Commission was able to rationalize the grant of a license for the initial project on the North Fork to the Pacific Gas & Electric Co.

Here again the former Secretary of the Interior intervened and the Commission's decision in favor of private monopoly has been appealed, with the Attorney General of the United States acting on behalf of the Secretary. The case was to have been argued before the United States Circuit Court of Appeals for the Ninth Circuit on August 6

but there has been an indefinite postponement.

The ultimate stake in the Kings River basin alone is well worth a fight, the water power potential, from which the people may ultimately choose sites for development, totalling about 800,000 kilowatts with a possible annual output of more than 3 billion kilowatt-hours.

The stake of the people of the region in only the portion of this potential energy (a little over one-fifth), involved in the present case, is considerable. It is measured by possible savings of approximately \$2 million in the cost of electricity. Of this saving, \$1,280,000 would flow to farmers as a saving in the cost of their irrigation pumping.

This affords just another example of the urgent need for amendment to the Federal Power Act to prevent the free-wheeling of the Federal Power Commission in turning over portions of great Federal river-basin programs to private monopoly.

I turn now to the critical battle between the people of the Pacific Northwest and private monopoly over one of the great hydroelectric power resources in the Columbia River Basin. Again it centers around the application of a private power company for a Federal Power Commission license.

And let me pause to emphasize the importance of low-cost power from the Columbia and its tributaries to the continued expansion of our regional economy in the Pacific Northwest.

Other parts of the country have their great indigenous energy resources: high-grade coals in the Northeast and Southeast; vast reserves of oil, natural gas, and coal in the Southwest and Mountain States. But in my region, with little coal and less oil, the energy resource which supports our contribution to the great American civilization is hydroelectric power.

The Federal Power Commission estimates that the Columbia River Basin offers an ultimate total of over 34 million kilowatts of hydroelectric power capacity, capable of supplying annually approximately 170 billion kilowatt-hours of electrical energy. This is more than all the electricity generated in all utility plants in the country, whether publicly or privately owned, in any year down to 1942.

Down to date less than one-sixth of this great potential has been developed. But the Government power program, represented by the Bonneville Power Administration marketing power from Corps of Engineers and Bureau of Reclamation projects, has already meant a tremendous forward leap in the development of our regional economy.

The grave question is whether the Federal Power Commission is going to permit the private power systems to interrupt the continuation of that program and so to slow down our regional economic expansion.

As I have already indicated, the test case is today being heard before the Commission's examiner. It involves the application of the Idaho Power Co. for a license to build three smaller projects in place of the great Hells Canyon project of the Bureau of Reclamation.

The high Hells Canyon project is included in the Corps of Engineers control plan for the Columbia River basin, as reported to Congress in House Document No. 531. Under agreement between the Bureau of Reclamation and the Corps, it would be constructed by the Bureau of Reclamation.

According to the latest estimates from Bureau of Reclamation experts, the average annual firm power which this project would add to the Columbia basin power system over the 50 years amortization period would be 900,000 kilowatts, as against only 610,000 kilowatts for the proposed three dams cov-

ered by the power company's application before the Federal Power Commission.

This would mean a reduction from nearly 1,200,000 kilowatts of saleable firm power if the Bureau of Reclamation builds the project to a little more than 800,000 kilowatts of saleable firm power if the Federal Power Commission issues a license turning over the resource to private power monopoly.

But the issuance of a license by the Federal Power Commission would mean a loss to the people of the Pacific Northwest much greater than these figures indicate. For it would up the cost of this vital electrical energy to about double the cost if the resource is developed as part of the Federal program, lifting it from perhaps 3½ to 7 mills per kilowatt-hour.

The threat to the people of the Pacific Northwest is even greater than that. For the turning over of this great power resource to private power monopoly might well establish a precedent for other great water-power resources in the basin which have always been included in the Federal development program.

The situation before the Federal Power Commission in this Hells Canyon case has become critical, so far as the public interest is concerned. It has all the earmarks of another big give-away.

As far back as 1947, the Idaho Power Co. had filed an application for a preliminary permit for an insignificant project which would have precluded forever the building of the greater Federal project. A year later the company asked that this application be held in suspense.

Then in 1950 it filed an application for a license for a small single-purpose power project at the Oxbow site in the Hells Canyon reservoir area. This project would have had only 140,000 kilowatts of capacity, as compared with the 900,000 kilowatts to be installed at the high Hells Canyon project, and would have produced none of the downstream benefits. But it would have forever blocked the greater project.

The company's application described the Oxbow as one of five low dams by which the resources in this stretch of the river would ultimately provide about 695,000 kilowatts.

After a year and a half delay, the Commission ordered hearings to start in July 1952. But the hearings lasted only 3 days. Since then the Commission has granted four separate requests by the company, the Commission staff, and the new Secretary of the Interior for postponement.

Then in May of this year, the Secretary of the Interior announced the withdrawal of the Department of the Interior from the case, and on the following day the company filed an amended application asking for a license to build all three dams in its revised plan for comprehensive development of this great waterpower resource.

This threw the whole burden of protecting the public interest in the great Hells Canyon project, and perhaps ultimately in the entire Federal Columbia Basin program, on the people of the Pacific Northwest.

To pick up the ball dropped by the Secretary of the Interior the National Hells Canyon Association was formed. Today it represents the labor, farm, and public power organizations of the States of Washington, Oregon, and Idaho. This association secured lawyers and intervened in the hearings before the Commission which started on July 7. But it has had no time in which to raise money and secure the necessary technical assistance to make its participation in the case fully effective.

Meanwhile, in spite of a clear showing, acknowledged by representatives of the Commission staff itself, that the Idaho Power Co.'s application failed to comply with the Commission's rules, the Commission has refused to grant a continuance of the case,

thus, in effect, denying the intervenors due process.

In view of the long delays and many postponements granted by the Commission before the new Secretary of the Interior backed out of the responsibility for presenting the public side of the case, the present change of pace seems significant. Apparently, the company is granted full opportunity to take advantage of the change in political climate in their favor, but the great body of consumers in the Northwest who suddenly inherited the burden are not considered as entitled to favorable action on their request for full opportunity to prepare.

In the face of this situation and the other cases which I have mentioned, it is crystal clear that the public interest requires the amendment to the Federal Power Act which we have offered. Only through such an amendment can the Congress keep control of the carrying out of its own river-basin programs. Only in this way can we stop the use of the licensing authority delegated by Congress to the Federal Power Commission as a weapon of private monopoly in its present drive to destroy the great Federal power program.

This great power program, as it has found expression in the development of the Columbia River Basin, has built up my region economically and has enabled it to play a great part in the national defense program. Only Idaho, which has remained under the domination of the Idaho Power Co., has failed to share fully in this growth.

This great power program has provided the low-cost power supply base for the wide expansion of rural electrification, which has meant such great forward strides in the well-being and comfort of our farmers.

This great power program has meant lower electric rates and a whole new era in the application of electricity to all the purposes of man throughout the entire land.

This great power program has kept open the opportunity of the people to choose municipal or cooperative ownership of their electric systems by assuring such public agencies ample supplies of power at modern low costs.

If the Federal power program which I am discussing is overthrown, the country's fine public and cooperative electric systems will face the danger of being picked off one at a time like sitting ducks, until private power monopoly rules supreme. This is the true issue of democracy in the field of power.

The continued expansion of the country's economy, the continued assurance of full employment, the continued improvement in the standards of living of our people will be found associated with the preservation of the power policy which Congress has established through successive laws, beginning with the Reclamation Act of 1906. For this reason I urge with all the emphasis I can give my words, that Congress recognize the threat to this policy, which is developing on many fronts, and take the necessary action to stop what might otherwise result in the greatest give-away of the people's resources in the Nation's history.

FRANCIS J. KELLY

Mr. MILLIKIN. Mr. President, my colleagues will be saddened to learn of the death today of Francis J. Kelly, a veteran Associated Press writer, an expert on the political implications of the news, and one who for a time prepared unsigned humorous news columns which were published in newspapers all over the country.

Those of us who had the pleasure of knowing him, found him to be a superb reporter, hungry for news, and eager to

report it fairly and with complete accuracy.

Those of us who had occasion to work with him from time to time—as was especially true in the case of members of the Finance Committee—will always have most affectionate and respectful remembrances of Francis Kelly.

He was a fine man, a precious soul, and a rare personality. It is very saddening to know that he has passed on.

We deeply regret his passing, and we send our heartfelt sympathy to his fine wife and two children.

EXTENSION OF TRADE AGREEMENTS ACT—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, the Senator from Colorado [Mr. MILLIKIN] is now prepared to submit the report of the committee of conference on the disagreeing votes of the two Houses on the Senate amendments to the bill (H. R. 5495) extending the President's authority to enter into trade agreements under the Tariff Act of 1930.

I now yield to him.

Mr. MILLIKIN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes. I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read by the legislative clerk.

(For conference report, see House proceedings of August 1, 1953, p. 11205, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MILLIKIN. Mr. President, amendment No. 1, which adds a new section 103 to the bill, provides that the enactment of the bill shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade. That was a Senate amendment, and the House has receded.

Amendment No. 2, which adds a new section 104 to the bill, amends section 22 (b) of the Agricultural Adjustment Act to provide that in a case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under section 22 of the Agricultural Adjustment Act, as amended, without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President. That was a Senate amendment; and the

House has recessed, with a clerical change.

Amendment No. 3: Section 201 of the House bill provided for an increase in the membership of the United States Tariff Commission from 6 to 7 Commissioners, and provided for a corresponding increase in the terms of office for Commissioners from 6 to 7 years. Senate amendment No. 3 struck out section 201 of the House bill and inserted a new section which provides that whenever, in any case calling for findings of the United States Tariff Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the Commissioners are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of Commissioners voting may be considered by the President as the findings and recommendations of the Commission. The amendment also provides that if the Commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in the preceding two sentences, the amendment requires the Commission to transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

The House recessed, with an amendment which retains the language of the Senate amendment and in addition provides that (1) whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of Commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question, and (2) whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of Commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question. The Senate accepted that amendment.

Amendment No. 4: Section 304 of the House bill provided that a quorum of the Commission on Foreign Economic Policy (established by title III of the bill) shall consist of 4 members appointed by the President of the United States, 3 members appointed from the Senate by the Vice President of the United States, and 3 members from the House of Representatives appointed by the Speaker of the House of Representatives. Under the Senate amendment any nine members of the Commission would constitute a quorum. The House recessed with an amendment providing that 9 members of the Commission, including at least 5 who

are Members of Congress, shall constitute a quorum.

Amendment No. 5: Section 306 (b) of the House bill provided, in effect, that service of an individual who is appointed from private life to be a member of the Commission on Foreign Economic Policy, and service for the Commission pursuant to the authority of the Commission to procure temporary and intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), shall not be considered as service or employment bringing such person within the provisions of certain sections of title 18 of the United States Code (commonly referred to as "conflict of interest" provisions). Senate amendment No. 5 struck out the reference in the House bill to section 1914 of title 18 of the United States Code which prohibits the payment of any Government salary by any person other than the Government. The Senate recessed from that amendment.

Amendment No. 6: Under subsection (a) of section 309 of the House bill the Commission on Foreign Economic Policy would be directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility, and foster the highest possible levels of trade consistent with the national security and a strong domestic economy.

Under Senate amendment No. 6 the Commission would be directed to examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for stimulating its sound enlargement.

Under the conference agreement the Commission would be directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

I think the report is a very satisfactory one, and I move its adoption.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

INCREASE IN LIMIT OF EXPENDITURES FOR THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 137, which is Order No. 507 on the calendar.

The VICE PRESIDENT. The Clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 137) increasing the limit of expenditures under Senate Resolution 333, 82d Congress, and Senate Resolution 106, 83d Congress, for the Committee on Rules and Administration.

The VICE PRESIDENT. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the resolution.

Mr. KNOWLAND. Mr. President, I have discussed this matter with the minority leadership, and I offer a amendment, on line 10, to strike out the numeral "\$160,000," and to insert "\$37,500."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. BARRETT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared on Senate Resolution 137, together with some editorials in connection with it.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARRETT

I rise in support of the resolution. The duties imposed upon the Subcommittee on Privileges and Elections during this year have proved to be both difficult and arduous and to say the least, anything but pleasant. I did not seek the assignment to this committee and I am sure that the same can be said of the junior Senator from Michigan, Mr. POTTER, and the senior Senator from Missouri, Mr. HENNING. However, we have attempted to do the work delegated to us in a fair and impartial manner. To my way of thinking the committee has pursued its work both prudently and diligently.

In order to make a full report as quickly as possible, I beg the indulgence of the Senators in requesting that they refrain from asking me to yield until I have completed my statement and, at that time, I will endeavor to answer any questions that may be directed to me.

At the outset I propose to call attention to a few of the many difficulties with which our committee has been confronted during the past several months. I have discussed our problems with Senators now on the floor who have served on this committee in years gone by and I am advised that never before in the history of senatorial election contests have so many obstacles and roadblocks confronted any other group such as we have been forced to face.

1. Notwithstanding the fact that Patrick J. Hurley, in accordance with the laws of the State of New Mexico, advised each and every county clerk in New Mexico by registered mail, under date of December 8, 1952, that he proposed to contest before the United States Senate, the election of Senator DENNIS CHAVEZ, the county clerks of Lincoln, Otero, and Dona Ana Counties burned the ballots of the November 4, 1952, senatorial election under an ex parte order of District Judge W. T. Scoggin, issued on February 3, 1953, which said order recited that 75 days had elapsed from the last meeting of the State canvassing board when, in truth and in fact, the State canvassing board had not on said date adjourned officially and had last met only 38 days previously. The unlawful and premature burning of 18,329 ballots in said counties was a serious handicap to your committee in its efforts to make a thorough investigation of the 1952 senatorial election in New Mexico.

According to press reports, the attorney general of New Mexico is quoted as saying an investigation of the burning of the ballots in these three counties failed to show "any deliberate or malicious violation of law" and that "District Judge W. T. Scoggin

assumed full responsibility for what he determined to be an innocent mistake and admitted acting prematurely."

It is significant to point out here that the district judge ignored the legal notice served on the county clerks by Patrick J. Hurley, although he was advised at the time of said notice and, secondly, he failed to give 3 days' notice to the county chairmen of the 2 leading parties of his intention to burn the ballots, as required by the laws of New Mexico. Finally, it should be made clear that the district judge acted wholly beyond the scope of his authority in issuing said orders for the reason that under the laws of New Mexico, the responsibility for burning said ballots rests exclusively with the county clerks with the sole requirement that the district judge or someone designated by him should witness the burning of the ballots. Although we understand that it has been the practice of some of the courts to issue an order reciting that the judge or someone designated by him had witnessed the burning of the ballots on a day certain, so far as we have been able to ascertain, no other court in the State of New Mexico has assumed the right to issue an order that the ballots be burned.

2. Notwithstanding the fact that ever since the 1926 decision of the Supreme Court of the United States in the *Vare* case, has any committee of the United States Senate been denied the possession of ballots and records in any senatorial election contest, yet on April 29 last the junior Senator from Wyoming received a letter from Paul Tackett, the district attorney of the second judicial district of the State of New Mexico, reading as follows:

STATE OF NEW MEXICO,
OFFICE OF THE DISTRICT ATTORNEY,
Albuquerque, April 29, 1953.

Hon. FRANK A. BARRETT,
Member, United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: A great number of questions have arisen in the matter of the contest and recount of ballots in the Hurley-Chavez contest from the standpoint of the county clerks in the second judicial district of the State of New Mexico.

Our statutes grant exclusive custody and control over ballot boxes, permanent registration affidavits, poll and tally books to the county clerk, and so far as our office is able to determine, there is no legal authority under the laws of the State of New Mexico for the county clerk to deliver the above-mentioned items or documents to any individual or group of individuals for the purpose of a recount unless under court order. Under our New Mexico law, all recounts shall be made in the presence of the district judge or some person whom he may designate to act for him and the county clerk and any other persons who may desire to be present and, after the recount has taken place, the district judge or his representative and the county clerk shall certify that the said recount was made in their presence.

While it is the utmost desire of the elected officials in this district to cooperate in every manner to facilitate the expeditious handling of the recount, nevertheless, it is our opinion that the county clerks should be protected through proper court proceedings in accordance with established legal procedure of this State. In view of the above and further, in view of the obligation placed upon the county clerks by our State law, your advice in this matter will be sincerely appreciated.

Very truly yours,

PAUL TACKETT,
District Attorney.

While the position taken by District Attorney Tackett was completely without basis in law and wholly unwarranted, it consti-

tuted another instance of interference with the work of your committee.

3. That when your committee endeavored to obtain the ballots and the records of the last senatorial election from the county clerk of Bernalillo County, it was confronted with an ex parte order by R. F. Deacon Arledge, judge of the district court for Bernalillo, Sandoval, and Valencia Counties, directing the county clerk of said counties not to release the ballots or permanent registration records, except upon written order of his court, to any individual, investigator, or group of investigators, which said order reads as follows, to wit:

"STATE OF NEW MEXICO, DISTRICT COURT, COUNTY OF BERNALILLO—IN THE MATTER OF THE RECOUNT OF BALLOTS CAST IN THE LAST GENERAL ELECTION HELD IN NOVEMBER 1952, BALLOT BOXES, AND PERMANENT REGISTRATION RECORDS—ORDER

"The district attorney, the clerk of the district court, and the county clerk of the Counties of Bernalillo, Sandoval, and Valencia have applied verbally to the court for instruction relative to the releasing of ballot boxes, ballots, and permanent registration records, to any individual, group of individuals, or investigators, and the court, after considering the matter directs the county clerk of the three counties hereinbefore mentioned do not release to any individual, group of individuals, or investigators, any ballot boxes, ballots, or permanent registration records, except upon proper written orders of this court (which will in all necessity comply with the law of New Mexico), and further directs that the district clerk shall not deliver the extra key entrusted to this district judge to the ballot boxes to any individual, group of individuals, or investigators, except upon written order from this court.

"The court takes judicial notice that there will be held a special election during the month of September 1953, to vote on certain constitutional amendments, and that the county clerks of the three counties within the Second Judicial District are hereby directed to place in the permanent registration books the original registration affidavits of any voter so registered, in accordance with the laws and statutes of the State of New Mexico, in such cases made and provided.

"In those cases where any of the ballot boxes, ballots, or permanent registration records have been impounded by order of this court at any place other than with the county clerk of the respective counties within the Second Judicial District, than in such case this order is hereby also directed to those impounding agents.

"R. F. DEACON ARLEDGE,
"District Judge."

That only after the committee caused subpoenas to be served upon Judge Arledge and the county clerk of Bernalillo County was the committee able to obtain the ballots and registration records of said county. By reason of the issuance of said court order the committee was required to make a trip to Albuquerque, N. Mex., in order to be present at the time and place of the return of said subpoena.

4. That at the time of the issuance of said ex parte order aforesaid, the attorney general of New Mexico requested a meeting with the committee's legal staff and at such meeting he challenged the rights of the Senate to obtain the ballots on the same grounds and for the same reasons as those outlined by District Attorney Paul Tackett in his letter hereinbefore referred to. That at said time and place and as reported in the press, an assistant attorney general advised the chief counsel of your committee that you and your investigators might get hurt if you try to take any of the ballots in the Spanish counties.

5. That the chief counsel of the committee and his staff have been hampered almost daily by unjustified demands and unwarranted accusations by attorneys and agents working in behalf of the contestee for the sole and only purpose of impeding the work of your committee, all of which could be documented if necessary.

INVESTIGATION AND RECOUNT

After your committee determined to investigate the charges raised in the New Mexico senatorial election of last year, a group of four investigators were sent to New Mexico to make a preliminary investigation. On April 17 last the chief counsel of the committee filed a preliminary report containing 113 pages and 150 exhibits. After considering the report in detail and after hearing the statements of the chief counsel, the committee unanimously came to the conclusion that there was ample evidence to warrant a continuation of the investigation, including a recount of the ballots, and the committee stated then that it was impelled to this conclusion because the findings of the staff indicated the following:

- (a) Failure to supply voting booths in many precincts.
- (b) Inadequate registration procedures.
- (c) Failure of election officials to observe laws relating to election procedures.
- (d) Evidence of unqualified persons voting.
- (e) Discrepancies in totaling votes.
- (f) Evidence of illegal practices by election officials and others.
- (g) Premature burning of the ballots.
- (h) Coercion and intimidation of certain voters.

After ordering a recount and further investigation of the New Mexico election the subcommittee believed it essential to its operation that such a proceeding be based upon bipartisan principles. Following this principle the subcommittee dispatched its counsel to New Mexico to hold conferences with the attorneys for each side in order that a full expression could be had as to the laws of New Mexico. As a result of these conferences some 18 stipulations as to the laws were signed by the parties and an equal number of points were agreed upon in conferences. A full record of these proceedings was preserved for the use of the Subcommittee. Based upon this expression by both sides the subcommittee unanimously adopted a set of rules and procedures for the conduct of the recount. Never before in the history of election contests has such a complete set of rules and procedures been adopted as has been done in this case. The committee believed that it was only fair that rules of the game be adopted prior to the recount thus eliminating any partisan decisions. These rules and procedures contemplate almost every possible situation that may arise under the laws of the State of New Mexico in connection with the recount of the ballots and they have been found in actual practice to be both adequate and completely workable. Of course, it goes without saying that many factual issues must be decided. The bipartisan nature of the rules and procedures is a matter of record. Under the procedures established both the contestant and the contestee are given full and adequate representation. A complete record is maintained on all protested ballots. An adequate opportunity is given each party not only to examine each ballot and registration record but also to examine all facts relating to the ballots and records which are gathered by our investigative staff and a full and adequate opportunity is given each side to present evidence upon any matter which they deem necessary and relevant. All of these records are being adequately preserved for the use of the United States Senate. The records will disclose that under the procedures as adopted by this sub-

Public Law 215 - 83d Congress
Chapter 348 - 1st Session
H. R. 5495

AN ACT

All 67 Stat. 472.

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1953".

Trade Agree-
ments Extension
Act of 1953.

TITLE I—FOREIGN-TRADE AGREEMENTS

SEC. 101. EXTENSION OF AUTHORITY.

The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended 65 Stat. 72. for a further period of one year from June 12, 1953.

SEC. 102. TIME FOR CERTAIN REPORTS BY TARIFF COMMISSION.

The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1364) is hereby 65 Stat. 74. amended by striking out "one year" and inserting in lieu thereof "nine months". In the case of any application made under such first paragraph before the date of the enactment of this Act, the United States Tariff Commission shall make its report not later than whichever of the following is the earlier: (1) one year after the application was made, or (2) nine months after the date of the enactment of this Act.

SEC. 103. GENERAL AGREEMENT ON TARIFFS AND TRADE NOT AFFECTED.

The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade. 61 Stat. pts. 5 and 6.

SEC. 104. EMERGENCY ACTION UNDER SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT.

Section 8 of the Trade Agreements Extension Act of 1951 (Public 65 Stat. 75. Law 50, Eighty-second Congress, first session) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows: 19 USC 1365; 7 USC 624.

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, 62 Stat. 1249. as amended, is amended by adding at the end thereof the following: 7 USC 624.

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

TITLE II—UNITED STATES TARIFF COMMISSION

SEC. 201. EFFECT OF DIVIDED VOTE IN CERTAIN CASES.

Section 330 of the Tariff Act of 1930, as amended, is hereby amended 46 Stat. 696. by adding a new subsection (d) reading as follows: 19 USC 1330.

"(d) EFFECT OF DIVIDED VOTE IN CERTAIN CASES.—

"(1) Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any)

unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the Commission: *Provided*, That if the commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any) the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote referred to in this paragraph the Commission shall transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question.

“(2) Whenever, in any case in which the Commission is authorized to make an investigation upon its own motion, upon complaint, or upon application of any interested party, one-half of the number of commissioners voting agree that the investigation should be made, such investigation shall thereupon be carried out in accordance with the statutory authority covering the matter in question. Whenever the Commission is authorized to hold hearings in the course of any investigation and one-half of the number of commissioners voting agree that hearings should be held, such hearings shall thereupon be held in accordance with the statutory authority covering the matter in question.”

TITLE III—ESTABLISHMENT OF COMMISSION ON FOREIGN ECONOMIC POLICY

SEC. 301. ESTABLISHMENT OF THE COMMISSION.

There is hereby established a bipartisan commission to be known as the Commission on Foreign Economic Policy (in this title referred to as the “Commission”).

SEC. 302. MEMBERSHIP OF THE COMMISSION.

(a) **NUMBER AND APPOINTMENT.**—The Commission shall be composed of seventeen members as follows:

- (1) Seven appointed by the President of the United States;
- (2) Five appointed from the Senate by the Vice President of the United States; and
- (3) Five appointed from the House of Representatives by the Speaker of the House of Representatives.

(b) **POLITICAL AFFILIATION.**—Of the first class of members specified in subsection (a), no more than four members shall be from the same political party. Of the second and third classes of members specified in subsection (a), no more than three members from each class shall be from the same political party.

SEC. 303. ORGANIZATION OF THE COMMISSION.

The President shall designate the member of the Commission who shall be the Chairman, and the member who shall be the Vice Chairman.

SEC. 304. QUORUM.

Nine members of the Commission (including at least five who are Members of Congress) shall constitute a quorum.

SEC. 305. COMPENSATION OF MEMBERS OF THE COMMISSION.

(a) **MEMBERS OF CONGRESS.**—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) **MEMBERS FROM PRIVATE LIFE.**—The members from private life shall receive not to exceed \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 306. STAFF OF THE COMMISSION.

(a) **APPOINTMENT OF PERSONNEL.**—The Commission may appoint such personnel as it deems advisable, without regard to the civil-service laws, and shall fix the compensation of such personnel in accordance with the Classification Act of 1949, as amended. The Commission may procure temporary and intermittent services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed \$75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties and make reasonable advances to such persons for such purposes.

63 Stat. 954.
5 USC 1071
note.
60 Stat. 810.

(b) **CERTAIN LAWS NOT TO APPLY.**—Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government, service of an individual as a member of the Commission, employment of an individual pursuant to the first sentence of subsection (a), and service by a person pursuant to the second sentence of subsection (a), shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284, or 1914 of title 18 of the United States Code, or section 412 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C., sec. 1584), or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

62 Stat. 697, 793.
63 Stat. 721.

SEC. 307. EXPENSES OF THE COMMISSION.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this title.

SEC. 308. REPORT—EXPIRATION OF THE COMMISSION.

(a) **REPORT.**—Within sixty days after the second regular session of the Eighty-third Congress is convened, the Commission shall make a report of its findings and recommendations to the President and to the Congress.

(b) **EXPIRATION OF THE COMMISSION.**—Ninety days after the submission to the Congress of the report provided for in subsection (a) of this section, the Commission shall cease to exist.

SEC. 309. DUTIES OF THE COMMISSION.

(a) **IN GENERAL.**—The Commission is directed to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices.

(b) CERTAIN OF THE MATTERS TO BE CONSIDERED AND REPORTED ON.—Without limiting the general scope of the direction to the Commission contained in subsection (a), the Commission shall consider, and shall report on, the following matters:

(1) (A) Applicable provisions of the Constitution of the United States;

(B) Laws, regulations, and practices of the United States relating to international trade, including such matters as tariffs, customs, customs administration, trade agreements, peril point and escape procedures, opinions and decisions thereon of the United States Tariff Commission and the President, import and export quotas, monetary licenses, countervailing duties, and procurement preferences;

(C) Departments, agencies, boards, commissions, bureaus, and other instrumentalities of the United States having jurisdiction over, or dealing with, these matters;

(D) Laws, regulations, and practices and official instrumentalities of other nations concerned with similar subject matters;

(E) Pertinent statistics on international trade; and

(F) Balance of payments, nation by nation; and the causes and effects of, and proposed remedies for, excessive imbalances.

(2) Relationship of our foreign economic policies to, and their influences on, our total foreign policy; and the proper relationship of each to the other.

(3) Effect of our foreign aid and military defense programs on international trade and international balance of payments.

(4) Foreign markets of trading nations—extent and nature; and the effect thereon of wars, other emergencies, technological advances, international relations, and other pertinent factors.

(5) International instrumentalities, organizations, and agreements and practices affecting trade, such as the General Agreement on Tariffs and Trade, Customs Unions, Organization for European Economic Cooperation, International Wheat Agreement, cartels, European Payments Union, European Coal and Steel Community, and International Monetary Fund.

(6) Foreign investment capital and the flow of investment capital between nations—need thereof—restrictions thereon—inducements necessary to encourage—role of the Export-Import Bank and of the International Bank for Reconstruction and Development.

(7) Effects on international trade of factors such as costs of production and pricing, labor practices and standards, general living standards, currency manipulation, inconvertible currencies, official inflationary policies, currency devaluations, exchange controls and licenses, quotas, embargoes, dumping and pricing practices, multiple currencies, bilateral trade agreements, barter arrangements, customs procedures, marking and transit problems, concealed regulation of exports and imports, preferential tariff systems, most-favored nation treatment, government monopolies, state-controlled economies, state trading, and state-subsidized trading.

(8) Effect of existing and proposed trade policies on the promotion of peace and security and the betterment of political, social, and economic life, domestic and foreign.

SEC. 310. POWERS OF THE COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission or, on the authorization of the Commission, any subcommittee or member thereof, shall have power to hold hearings and to sit and act at such times and places, within the United States or elsewhere, to take such testimony,

and to make such lawful expenditures, as the Commission or such subcommittee or member may deem advisable.

(b) **OBTAINING OFFICIAL DATA.**—The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information it deems necessary to carry out its functions under this title; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

Approved August 7, 1953.

